





**NEWS**

**FROM:**

**U.S. SENATOR FOR KANSAS**

**SENATE REPUBLICAN LEADER**

FOR IMMEDIATE RELEASE  
MONDAY, SEPTEMBER 13, 1993

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**SENATE REPUBLICAN LEADER BOB DOLE  
REMARKS TO THE DETROIT ECONOMIC CLUB:  
ECONOMY, HEALTH CARE, NAFTA, FOREIGN POLICY**

WE MEET TODAY ON WHAT HAS BEEN A VERY HISTORIC MORNING. AS YOU KNOW, IN WASHINGTON, D.C., ISRAELI PRIME MINISTER YITZHAK RABIN AND PLO CHAIRMAN YASSER ARAFAT HAVE JUST COMPLETED A CEREMONY MARKING THE SIGNING OF A MUTUAL RECOGNITION AGREEMENT. LIKE ALL AMERICANS, I SALUTE THE COMMITMENT OF THE ISRAELI GOVERNMENT AND THE PALESTINIAN LEADERS TO BREAK THE CYCLE OF VIOLENCE AND TO LAY THE FOUNDATION FOR A GENUINE PEACE.

THE JOURNEY FOR PEACE IN THIS TROUBLED REGION HAS BEEN A LONG ONE, AND IT IS STILL FAR FROM COMPLETE. THERE ARE STILL PALESTINIAN FACTIONS WHO WANT NO ISRAEL, AND WHO HAVE CALLED FOR ARAFAT'S ASSASSINATION, AND THERE ARE THOSE IN ISRAEL WHO WANT MORE ISRAEL, AND WHO BELIEVE THAT THROUGH THIS AGREEMENT, THE PLO WILL BECOME A WOLF IN SHEEP'S CLOTHING.

I WAS PLEASED THAT FORMER PRESIDENT BUSH WAS AT TODAY'S CEREMONY, BECAUSE THIS HISTORIC AGREEMENT WOULD HAVE BEEN IMPOSSIBLE IF NOT FOR HIS LEADERSHIP IN THE PERSIAN GULF CRISIS, AND IF NOT FOR THE MIDEAST DIPLOMATIC INITIATIVES HE BEGAN IN MARCH OF 1991.

**AMERICAN LEADERSHIP HAS CHANGED THE WORLD**

FROM THE POSSIBILITY OF PEACE IN THE MIDDLE EAST, TO THE FALLING OF THE BERLIN WALL, MUCH HAS CHANGED IN THE SIX DECADES SINCE THE DETROIT ECONOMIC CLUB BEGAN TO MEET AND DISCUSS THE ISSUES OF THE DAY, BUT ONE THING HAS NOT--AND THAT'S THE FACT THAT AMERICAN LEADERSHIP HAS CHANGED THE WORLD.

WHETHER IT WAS SAVING FREEDOM AS WE KNOW IT DURING WORLD WAR II...SETTING NEW STANDARDS IN INVENTIONS AND INNOVATIONS, PUTTING A MAN ON THE MOON, OR STANDING GUARD UNTIL THE COLD WAR WAS WON, IT HAS BEEN AMERICAN LEADERSHIP--ECONOMIC LEADERSHIP...MILITARY LEADERSHIP...MORAL LEADERSHIP...AND TECHNOLOGICAL LEADERSHIP...THAT HAS BEEN THE MOST POWERFUL FORCE FOR PEACE, PROGRESS, AND PROSPERITY AROUND THE GLOBE.

THERE ARE SEVERAL DEBATES ONGOING IN WASHINGTON WHICH WILL DETERMINE IF AMERICAN LEADERSHIP WILL CONTINUE INTO THE 21ST CENTURY, OR WHETHER WE WILL PASS THE MANTLE OF LEADERSHIP ON TO OTHERS.

**PHILOSOPHICAL DIFFERENCES ON THE ECONOMY**

AMERICA'S ECONOMIC LEADERSHIP IS WHAT WAS AT STAKE DURING THIS YEAR'S BATTLE OVER THE PRESIDENT'S BUDGET. OVER THE COURSE OF THIS YEAR, YOU'VE SEEN TWO VERY DISTINCT AND DIFFERENT PHILOSOPHIES ON HOW TO MAINTAIN A STRONG AND VIBRANT ECONOMY.

PRESIDENT CLINTON BELIEVES THAT GOVERNMENT CAN TAX, SPEND, AND MANDATE AMERICA'S WAY INTO PROSPERITY. MY REPUBLICAN COLLEAGUES IN THE SENATE AND I COULDN'T DISAGREE MORE. WE BELIEVE THAT GROWTH AND PROSPERITY CAN ONLY BE ACHIEVED BY PROMOTING AND REWARDING INDIVIDUAL RISK-TAKING, INITIATIVE, AND HARD WORK.

THIS BASIC FUNDAMENTAL DIFFERENCE IN PHILOSOPHY--AND NOT SOME PARTISAN DESIRE TO OBSTRUCT--WAS THE GLUE THAT HELD EVERY HOUSE AND SENATE REPUBLICAN TOGETHER IN THE VOTE ON THE PRESIDENT'S BUDGET.

**IT'S OFFICIAL: CLINTON PLAN DOESN'T REDUCE DEFICIT BY \$496 BILLION**

THERE WERE A LOT OF CHARGES AND COUNTER CHARGES, AND A LOT OF ECONOMIC CHARTS FLYING AROUND DURING THAT DEBATE. BUT LAST WEEK, THE CONGRESSIONAL BUDGET OFFICE RELEASED IT'S MID-SESSION REVIEW OF THE BUDGET. AND THE CBO--WHICH PRESIDENT CLINTON HAS CONSISTENTLY PRAISED--CONCLUDED THAT REPUBLICANS WERE RIGHT.

ACCORDING TO THE REVIEW, THE CLINTON BUDGET PLAN WILL NOT REDUCE THE DEFICIT BY \$496 BILLION, AS CLAIMED BY CONGRESSIONAL DEMOCRATS. INSTEAD, TOTAL DEFICIT REDUCTION WILL BE CLOSER TO \$432 BILLION OVER 5 YEARS. THOSE NUMBERS ARE VERY CLOSE TO THE ONES REPUBLICANS WERE CRITICIZED FOR DURING THE BUDGET DEBATE.



AND LET ME TELL YOU SOMETHING ABOUT THAT SO-CALLED \$496 BILLION IN SAVINGS CLAIMED BY THE DEMOCRATS. THE ADMINISTRATION GETS THAT FIGURE BY ADDING \$241 BILLION IN NEW TAXES WITH \$255 BILLION IN SPENDING CUTS. BUT, BY IT'S OWN NUMBERS, THE ADMINISTRATION ADMITS THAT SPENDING WILL INCREASE BY \$256 BILLION IN THE NEXT FOUR YEARS.

HOW DOES A SPENDING INCREASE OF \$256 BILLION BECOME A SPENDING CUT OF \$255 BILLION?. WITH ACCOUNTING THAT GIVES SMOKE AND MIRRORS A BAD NAME--THAT'S HOW.

THE ADMINISTRATION SAYS THAT SINCE PRIOR PROJECTIONS CALLED FOR A \$511 BILLION SPENDING INCREASE, A \$255 BILLION INCREASE IS ACTUALLY A SPENDING CUT. OUT IN THE REAL WORLD, HOWEVER--OUTSIDE OF THE BELTWAY--THE CLINTON BUDGET AT BEST, INSTITUTES A \$241 BILLION TAX INCREASE TO FUND A \$256 BILLION SPENDING INCREASE.

#### SLOWER GROWTH: BUSINESSES WORRIED SICK

IT'S NO WONDER THAT THE C.B.O. HAS ALSO PREDICTED THAT FOR THE NEXT FIVE YEARS, ECONOMIC GROWTH WILL NEVER EXCEED 2.7%. REMEMBER THAT DURING THE CAMPAIGN, PRESIDENT BUSH WAS DRAGGED THROUGH THE MUD BECAUSE ECONOMIC GROWTH IN 1992 WAS "ONLY" 3.9%

WHY THE ECONOMIC SLOWDOWN? A LOT OF ECONOMIC EXPERTS AGREE WITH ME THAT THE PRESIDENT'S TAX AND SPEND BUDGET PLAN AND THE THREAT OF MORE TAXES TO PAY FOR HEALTH CARE REFORM HAS BUSINESS--ESPECIALLY SMALL BUSINESS--WORRIED SICK. THEIR WORRIES HAVE LED THEM TO CUT COSTS, TO NOT BUY THAT NEW PIECE OF EQUIPMENT, TO NOT HIRE THAT NEW WORKER, OR OPEN THAT NEW OFFICE.

AND NOW SMALL BUSINESS IS NERVOUSLY AWAITING FOR THE OTHER SHOE TO DROP--PRESIDENT CLINTON'S HEALTH CARE REFORM PLAN.

#### HEALTH CARE

I GREW UP IN AN ERA WHERE HEALTH INSURANCE WASN'T A REALITY FOR MOST AMERICANS. MANY OF THE HOSPITAL BILLS I FACED AFTER WORLD WAR II WERE FINANCED BY THE PEOPLE OF RUSSELL, KANSAS. A FEW OF MY FRIENDS CREATED THE "BOB DOLE FUND." IT BEGAN WITH A FEW DOLLARS TOSSED INTO AN OLD CIGAR BOX, AND EXPANDED FROM THERE. FROM THIRTY CENTS TO A HUNDRED DOLLARS, DOZENS OF MY NEIGHBORS DUG INTO THEIR POCKETS TO GIVE WHATEVER THEY COULD. IN THE END, THE CONTRIBUTIONS ADDED UP TO AROUND EIGHTEEN HUNDRED DOLLARS. SO I KNOW WHAT IT'S LIKE TO WORRY ABOUT HOW YOU'RE GOING TO PAY FOR HEALTH CARE, AND I KNOW IT'S SOMETHING THAT NO AMERICAN SHOULD HAVE TO EXPERIENCE.

AND LET ME BE CLEAR IN SAYING THAT IF AMERICA IS TO CONTINUE ITS LEADERSHIP ROLE AS AN ECONOMIC POWERHOUSE, THEN WE SHOULD REFORM OUR HEALTH CARE SYSTEM. BUT WE MUST ALSO RESIST THE TEMPTATION TO FIX SOMETHING THAT DOESN'T NEED FIXING. A MAJORITY OF AMERICANS ARE CONTENT WITH THE HEALTH CARE THEY RECEIVE, AND WE MUST NOT TAKE ANY ACTION WHICH WOULD REDUCE THE QUALITY, CHOICE, AND ACCESSIBILITY THAT AMERICANS HAVE COME TO EXPECT.

#### FIRST GLANCE AT THE CLINTON PLAN: ELEMENTS OF AGREEMENT & CONCERN

THREE DAYS AGO, REPUBLICANS GOT THEIR FIRST CHANCE TO REVIEW A 239-PAGE DRAFT OF THE PROPOSAL THE PRESIDENT WILL ANNOUNCE ON SEPTEMBER 22ND. THE DRAFT PROPOSAL IS HARD TO DESCRIBE WITHOUT A TEAM OF DOCTORS, LAWYERS, AND ACCOUNTANTS STANDING NEARBY, BUT MY FIRST IMPRESSION IS THAT IT DOES CONTAIN SOME ELEMENTS ON WHICH WE CAN ALL AGREE, AND SOME ELEMENTS THAT SHOULD CONCERN ALL AMERICANS.

UNDER THE CLINTON PLAN, UNCLE SAM WILL BE AN ACTIVE PARTICIPANT IN ALMOST ANY PHYSICIAN/PATIENT RELATIONSHIP. AS THE WASHINGTON POST SAID ON SATURDAY--THE PLAN "WOULD GIVE THE FEDERAL GOVERNMENT DRAMATIC NEW REGULATORY POWERS OVER THE NATION'S HEALTH CARE, INCLUDING THE RIGHT TO CONTROL SPENDING, TAKE OVER STATE PROGRAMS THAT FAIL TO MEET ITS GOALS, AND IMPOSE A PAYROLL TAX ON EMPLOYERS IN THOSE STATES."

I'M STILL LOOKING FOR ANYTHING IN OUR NATIONAL EXPERIENCE SUGGESTING THAT WASHINGTON CAN EFFECTIVELY MANAGE AND BALANCE A HEALTH CARE BUDGET WHICH TOTALS 900 BILLION DOLLARS.

ONE UNIVERSALLY-HELD OPINION ON CAPITOL HILL IS THAT THE PRESIDENT'S PLAN IS NOT THE END---RATHER IT'S THE BEGINNING OF A LONG NATIONAL DISCUSSION ON HEALTH CARE REFORM. IT TOOK THE ADMINISTRATION NEARLY EIGHT MONTHS TO DEVELOP THIS PLAN, AND IT COULD TAKE CONGRESS AT LEAST THAT LONG TO ANALYZE IT, COMMUNICATE WITH THE AMERICAN PEOPLE, AND TO WRITE A TRULY BI-PARTISAN PLAN THAT ADDRESSES YOUR NEEDS.

HEALTH CARE REFORM OFFERS A UNIQUE OPPORTUNITY FOR GOVERNMENT TO PROVE TO THE AMERICAN PEOPLE THAT IT CAN WORK. AND WE'RE GOING TO HAVE TO TAKE THE TIME NECESSARY TO GET IT RIGHT--WE WON'T HAVE A SECOND CHANCE, AND WE CAN'T AFFORD TO DO IT WRONG. WE MUST NOT BLOW THIS OPPORTUNITY BY RUSHING THROUGH LEGISLATION THAT WOULD PUT AMERICANS OUT OF WORK, OR BY DISMISSING THOSE WHO MAY DIFFER WITH THE CLINTON PLAN AS "SPECIAL INTERESTS."

#### NAFTA

WHILE ALL AMERICANS SEEM TO BE UNITED IN THEIR DESIRE FOR HEALTH



CARE REFORM, THERE IS A SERIOUS DISAGREEMENT OVER THE NORTH AMERICAN FREE TRADE AGREEMENT.

I KNOW THERE ARE THOSE HERE TODAY WHO OPPOSE NAFTA, AND I RECOGNIZE THERE CAN BE HONEST DISAGREEMENTS ON THIS ISSUE. AFTER ALL, ANY ISSUE THAT BRINGS BILL CLINTON AND BOB DOLE TOGETHER ON ONE SIDE, AND JESSE JACKSON, PAT BUCHANAN, RALPH NADER, JERRY BROWN, AND ROSS PEROT TOGETHER ON THE OTHER HAS TO BE CONFUSING.

BUT WHAT ISN'T CONFUSING IS THE SIMPLE FACT THAT AMERICA MUST TRADE TO PROSPER. AND AT IT'S HEART, THE DEBATE OVER NAFTA IS A DEBATE OVER LEADERSHIP.

IF THIS COUNTRY WANTS TO CONTINUE TO LEAD THE WORLD'S ECONOMY, IF WE WANT TO SUCCEED IN TODAY'S NEW GLOBAL MARKETPLACE, THEN WE CANNOT BE AFRAID TO COMPETE. WE CANNOT BUILD A WALL AROUND OUR COUNTRY AND CALL IT "ECONOMIC SECURITY." THAT NOTION IS A DELUSION.

BUT NO DOUBT ABOUT IT--THE ADVOCATES OF THAT NOTION HAVE MET WITH SOME SUCCESS, BECAUSE THEY PREY ON FEAR AND ANXIETY--ESPECIALLY THE FEAR OF LOSING A JOB.

PROTECTIONISM MAY GIVE A TEMPORARY FEELING OF SECURITY--BUT THE PRICE TAG FOR THAT FEELING IS HIGH. WE PAY FOR IT BY ROBBING FUTURE GENERATIONS OF GROWTH, PROSPERITY, AND PRODUCTIVITY.

#### THE PEROT BOOK & THE FACTS

I'M SURE MANY OF YOU HAVE SEEN ROSS PEROT'S NEW ANTI-NAFTA BOOK CALLED "SAVE YOUR JOB, SAVE OUR NATION." WELL MY ADVICE IS THAT YOU SAVE YOUR MONEY, AND NOT BUY THE BOOK, BECAUSE, ACCORDING TO THIS STUDY BY THE CLINTON ADMINISTRATION, IT IS FULL OF MISSTATEMENTS.

THE BOOK IGNORES A LOT OF FACTS, BUT MOST IMPORTANTLY, IT IGNORES WHAT MEXICO HAS DONE TO TRANSFORM ITS ECONOMY. I MET WITH PRESIDENT SALINAS A FEW WEEKS AGO. HE HAS COMMITTED MEXICO TO A PATH OF ECONOMIC REFORM THAT HAS BROUGHT STUNNING RESULTS, AND WHICH EXPERTS BELIEVE WILL YIELD CONTINUED GROWTH AND PROSPERITY IN THE COMING YEARS.

BY NOT TAKING ADVANTAGE OF THIS HISTORIC OPPORTUNITY, WE WILL ALLOW OTHER COUNTRIES TO TAKE OUR PLACE AS MEXICO'S PARTNER. AND THAT WOULD BE AN ECONOMIC MISTAKE.

THE FACT IS THAT MEXICO HAS A TREMENDOUS APPETITE FOR AMERICAN GOODS AND SERVICES...FOR OUR AUTOMOBILES, HEAVY MACHINERY, CONSTRUCTION HELP, ELECTRONIC EQUIPMENT, AND CHEMICALS. IN FACT, AMERICA NOW ENJOYS A TRADE SURPLUS WITH MEXICO OF NEARLY \$5.4 BILLION, AND A FULL SEVENTY CENTS OF EVERY DOLLAR MEXICO SPENDS ON IMPORTED PRODUCTS IS NOW SPENT ON AMERICAN GOODS.

#### NAFTA MEANS JOBS: THE AUTO INDUSTRY

THE APPETITE FOR AMERICAN PRODUCTS MEANS JOBS FOR AMERICAN WORKERS. SINCE 1986, U.S. EXPORT VOLUME TO MEXICO HAS TRIPLED, CREATING MORE THAN 400,000 NEW JOBS HERE IN THE UNITED STATES.

AND AS THE MICHIGAN INTERNATIONAL TRADE COALITION, LED BY GOVERNOR JOHN ENGLER, HAS POINTED OUT, THE CONNECTION BETWEEN TRADE WITH MEXICO AND JOBS HERE IN MICHIGAN IS A STRONG ONE. OF ALL 50 STATES, MICHIGAN RANKS THIRD IN TOTAL EXPORTS TO MEXICO. THESE EXPORTS HAVE GROWN BY 51% IN THE LAST FIVE YEARS, AND 31,000 MICHIGAN JOBS NOW DEPEND ON EXPORTS TO MEXICO.

AND THESE NUMBERS WILL ONLY INCREASE UNDER NAFTA. GOVERNMENT FORECASTS ARE THAT GENERAL MOTORS, FORD, AND CHRYSLER SHOULD INCREASE EXPORTS TO MEXICO BY NEARLY \$1 BILLION IN THE FIRST YEAR OF NAFTA ALONE--PRODUCING SOME 15,000 NEW JOBS.

NOW, THOSE WHO OPPOSE NAFTA WOULD HAVE US BELIEVE THAT IT IS GOING TO RESULT IN AMERICAN COMPANIES LINING UP BY THE HUNDREDS TO MOVE TO MEXICO TO TAKE ADVANTAGE OF THE CHEAP LABOR COSTS--THAT'S THE "GIANT SUCKING SOUND" THAT ROSS LIKES TO TALK ABOUT.

BY RELYING ON THIS ARGUMENT, NAFTA'S OPPONENTS ARE SAYING THAT THEY HAVE NO FAITH IN THE SKILLS, ABILITIES, AND PRODUCTIVENESS OF THE AMERICAN WORKER. THEY THINK THAT ON A LEVEL PLAYING FIELD, AMERICAN WORKERS ARE GOING TO GET THEIR CLOCKS CLEANED. AND THEY'RE DEAD WRONG.

IN A THOROUGH STUDY, THE CONGRESSIONAL OFFICE OF TECHNOLOGY ASSESSMENT FOUND THAT IT COST \$8,770 TO BUILD A TYPICAL AUTOMOBILE IN THE UNITED STATES. AND IT COST \$9,180 TO BUILD THE SAME AUTOMOBILE IN MEXICO--DESPITE THE FACT THAT LABOR COSTS PER HOUR IN THE UNITED STATES WERE EIGHT TIMES HIGHER.

THAT DIFFERENCE WAS MORE THAN ERASED HOWEVER BY THE FACT THAT THE U.S. CAR COULD BE BUILT FASTER, IN A MORE ADVANCED FACTORY, WITH MORE SKILLED WORKERS. AS WAS POINTED OUT IN THE WASHINGTON POST LAST WEEK, "WHAT COUNTS MOST IN A MODERN GLOBAL ECONOMY ISN'T THE COST OF LABOR, BUT THE LEVEL OF ORGANIZATION AND AUTOMATION."

#### MORE BENEFITS OF NAFTA

THE BENEFITS THAT NAFTA BRINGS TO THE UNITED STATES WILL ALSO BRING BENEFITS TO MEXICO, AS WELL. NAFTA WILL ALLOW PRESIDENT SALINAS TO CONTINUE HIS PROGRAM OF MODERNIZING MEXICO. THE JOBS



CREATED IN MEXICO AND THE CONTINUED PRESENCE OF AMERICAN GOODS AND SERVICES WILL RAISE THE MEXICAN STANDARD OF LIVING, AND AMBITIOUS AND RISK-TAKING MEXICANS WHO HAVE BEEN LEAVING TO SEEK ECONOMIC OPPORTUNITY IN THE UNITED STATES MAY NOW BE ABLE TO FIND IT AT HOME.

IN FACT, A COMMISSION CREATED BY THE 1986 IMMIGRATION ACT LISTS NAFTA AS THE SINGLE MOST EFFECTIVE WAY TO STEM MEXICAN IMMIGRATION INTO THE UNITED STATES.

MAKE NO MISTAKE ABOUT IT, NAFTA EXTENDS FAR BEYOND CANADA AND MEXICO. OTHER COUNTRIES LIKE CHILE AND ARGENTINA WHO HAVE BEEN MOVING FROM STATE-CONTROLLED TO MARKET-DRIVEN ECONOMIES ARE FOLLOWING NAFTA VERY CLOSELY. IF IT PASSES, THEN THEY WILL WANT TO BE NEXT. THEY WILL OPEN THEIR BORDERS TO MORE AMERICAN GOODS AND SERVICES.

AND IF NAFTA FAILS, THEY WILL KNOW THAT AMERICA HAS DECIDED TO NOT PLAY A LEADERSHIP ROLE IN THE WORLD MARKETPLACE. AND WHILE THERE MAY BE A PRICE TO LEADERSHIP, CHOOSING NOT TO BE A LEADER WOULD RESULT IN AMERICAN EMPLOYERS AND EMPLOYEES PAYING A MUCH HIGHER PRICE.

#### FOREIGN POLICY: BOSNIA & SOMALIA

AS I SAID, THERE CAN BE NO DOUBT THAT LEADERSHIP HAS A PRICE. AND SOMETIMES THAT PRICE MEANS GETTING INVOLVED IN MATTERS IN OTHER COUNTRIES WHICH MAY AFFECT THE WORLD'S STABILITY.

TODAY, THERE ARE TWO INTERNATIONAL HOT SPOTS--SOMALIA AND BOSNIA. AND I AM VERY CONCERNED THAT AMERICAN LEADERSHIP IS BEING BROUGHT TO BEAR IN AN AREA WHERE THE UNITED STATES DOES NOT HAVE A NATIONAL INTEREST -- SOMALIA -- AT THE EXPENSE OF AN AREA WHERE THE U.S. INTERESTS ARE AT STAKE -- BOSNIA-HERCEGOVINA.

WHILE I STRONGLY SUPPORTED THE HUMANITARIAN MISSION IN SOMALIA, I DO NOT SEE THE NEED FOR AMERICA TO CONTINUE A LEAD ROLE IN THE NEW MISSIONS OF ESTABLISHING SECURITY AND OF "NATION BUILDING." I BELIEVE IT'S ABOUT TIME FOR AMERICA TO DISENGAGE IN SOMALIA AND TURN OVER THE REINS TO THE UNITED NATIONS AND TO AFRICAN COUNTRIES WHO HAVE A CLEAR STAKE IN THE STABILITY OF THE AREA.

#### SUBORDINATING U.S. POLICY TO THE UNITED NATIONS

SO, WHY ARE WE LEADING IN SOMALIA, BUT NOT IN BOSNIA WHERE WE HAVE INTERESTS? THE REASON FOR THIS IS VERY SIMPLE: THE UNITED STATES HAS ADOPTED THE AGENDA OF THE UNITED NATIONS. THE CLINTON ADMINISTRATION HAS SUBORDINATED U.S. FOREIGN POLICY TO MULTILATERAL ORGANIZATIONS, IN PARTICULAR, THE UNITED NATIONS. IT CALLS THIS POLICY "ASSERTIVE MULTILATERALISM."

IN CONTRAST TO SOMALIA, WHAT IS AT STAKE IN BOSNIA IS MORE THAN JUST BOSNIA--IT IS THE FUTURE OF THE INTERNATIONAL ORDER. AND ONE HAS TO WONDER HOW WE CAN SUPPORT "NATION BUILDING" IN SOMALIA, WHILE, AT THE SAME TIME, WE SIT QUIETLY BY AND WATCH THE WHOLESALE DESTRUCTION OF BOSNIA AND HER PEOPLE, AND ENCOURAGE NEGOTIATORS IN GENEVA TO DRAFT "PEACE" AGREEMENTS WHICH RATIFY THE GAINS OF THIS AGGRESSION.

A FEW DAYS AGO, I MET WITH THE BOSNIAN PRESIDENT, ALIJA IZETBEGOVIC. HE TOLD ME THAT BOSNIA FACES TWO CHOICES: DEATH WITH A SIGNATURE OR DEATH WITHOUT A SIGNATURE. WHAT HE MEANT WAS THAT IF THE BOSNIANS SIGN THE CURRENT PEACE PLAN, THEY LOSE MOST OF THEIR TERRITORY AND ANY HOPE OF A VIABLE STATE. MOREOVER, HUNDREDS OF THOUSANDS OF PEOPLE WILL NOT BE ABLE TO RETURN TO THEIR HOMES.

AND IF THEY DON'T SIGN THE PEACE PLAN, THEY WON'T BE ABLE TO CONTINUE TO DEFEND THEMSELVES. HOW DID BOSNIA GET INTO THAT POSITION? WELL, THE INTERNATIONAL COMMUNITY PUT IT THERE. BOSNIA HAS BEEN REFUSED COLLECTIVE DEFENSE BY THE UNITED NATIONS AND DENIED ITS RIGHT TO SELF-DEFENSE BY A U.N. ARMS EMBARGO WHICH WAS PLACED ON THE FORMER YUGOSLAVIA.

THE ONLY ACTIONS TAKEN BY THE U.N. IN BOSNIA HAVE BEEN THE DELIVERY OF HUMANITARIAN AID AND MONITORING THE EFFECTS OF "ETHNIC CLEANSING". YET, THE UNITED STATES HAS NOT ASSERTED THE LEADERSHIP NECESSARY TO LIFT THE ARMS EMBARGO AND IT HAS GIVEN U.N. SECRETARY GENERAL BOUTROS BOUTROS-GHALI A VETO OVER NATO AIR STRIKES.

IN MY VIEW, THE INTERNATIONAL COMMUNITY'S ILLOGICAL, UNPRINCIPLED AND WHOLLY INADEQUATE RESPONSE TO THE WAR IN BOSNIA-HERCEGOVINA WILL ONLY INVITE MORE AGGRESSION AROUND THE WORLD. AND THESE AGGRESSORS, SOME ARMED WITH NUCLEAR AND CHEMICAL WEAPONS, WILL KNOW THAT THE UNITED NATIONS IS INCAPABLE OF PRESERVING THE INTERNATIONAL ORDER AND THE UNITED STATES IS UNWILLING TO ACT TO PRESERVE IT.

#### ENSURE SURVIVAL OF AMERICAN LEADERSHIP

LADIES AND GENTLEMEN, THROUGHOUT THIS CENTURY, THE CITY OF DETROIT HAS BEEN PART AND PARCEL OF THE AMERICAN DREAM. A DREAM THAT THROUGH HARD WORK AND INITIATIVE, YOU COULD BUY THAT FIRST CAR, BUY A HOME, AND SUCCEED IN BUILDING A BETTER LIFE FOR YOUR FAMILY AND CHILDREN.

AND OVER THE PAST YEAR, I HAVE BEEN PRIVILEGED TO MEET WITH



All this talk about tax increases for the President's budget plan and even more taxes for health care reform has had a more profound negative effect on economic growth than President Clinton's proposed stimulus plan could possibly have offset.

The fact is that President Clinton and his economic team made a cold, calculated decision. In a recent interview [Business Week], the President was asked why he insisted on pushing for deficit reduction now. He admitted, "There are really two reasons we decided in this period of slow growth that we could risk a serious deficit-reduction package. One is, I'm not sure there ever was going to be a good time.... Second, since long-term interest rates have been quite high, there was a real chance that you would get enough refinancing... And subsequent reinvestment to offset the [plan's] contractionary effect." So, there it is in a nutshell. President Clinton is gambling that lower interest rates will keep the economy moving in spite of his economic plan.

But, recent economic news suggests that the President may have miscalculated. The lowest interest rates in 25 years have failed to produce a boom in the economy. The reason is simple: the American people understand that higher taxes, more government and more mandates will not help the economy grow and create jobs.

Consumer confidence has fallen steadily since January. In the Conference Board's August survey of 5,000 households, almost twice as many people fear there will be fewer jobs in the next few months.

And it's not just consumers that are holding back. A lot of businessmen and women are less optimistic about the future than they were a year ago. The small business confidence index recorded by the National Federation of Independent Business has come down every month since January.

Mr. President, there were a lot of people -- Democrats, Republicans, and Independents -- who had serious reservations about the President's tax-now, cut-spending-later (if at all) budget plan. We opposed it, because we believed it would be bad for the economy. That it would destroy hundreds of thousands of jobs.

All of us remember the 1992 election. We remember that the economy was the clear focus of the 1992 Presidential campaign. President Clinton and the Democrats in Congress wanted to end divided government. They wanted accountability. Now, they have it, not one Republican voted for the Clinton budget plan.

If the Clinton plan spurs the economy to new heights, Democrats will fare well. But, if they are wrong, as we believe they are, those who are up for re-election in 1994 will have to answer to the voters.

Let me conclude by saying that if either the White House economic forecast or the new CBO forecast is right, the economy will grow at a far slower pace in 1994 and in 1996 than it did for George Bush in 1992. That is something to think about.

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Remarks delivered on the Senate floor, approximately 3:00 PM.