

REMARKS OF SENATOR BOB DOLE
ANTI-DEFAMATION LEAGUE INAUGURAL DINNER
PALM BEACH, FLORIDA
THURSDAY, FEBRUARY 7, 1984

MR. BIALKIN (BEE-AHL-KIN), MR. LEVINSON, MR. PEARLMUTTER
(PEARL-MOOTER), LADIES AND GENTLEMEN:

I APPRECIATE YOUR INVITATION TO SPEAK HERE TONIGHT IN PALM
BEACH. I CAN'T THINK OF A BETTER TIME TO ESCAPE FROM WASHINGTON,
WHICH IS UNDERGOING THE UNIQUE EXPERIENCE OF SIMULTANEOUS COLD
AND HEAT WAVES. THE COLD IS IN THE WEATHER, AND THE HEAT IS WHAT
YOU FEEL WHEN YOU'RE MAJORITY LEADER OF THE SENATE THE WEEK THE
PRESIDENT PRESENTS HIS BUDGET.

I ALSO WANT TO TAKE PARTICULAR NOTE, AT THE OUTSET, OF TWO VERY SPECIAL PEOPLE. FIRST, THE LEAGUE'S GUEST OF HONOR, MADAME BEA ALEXANDER, WHO IS CELEBRATING HER 90TH BIRTHDAY TONIGHT.

THE OTHER PERSON IS A FORMER COLLEAGUE. AS A SENATOR, HE MADE ME PROUD TO SERVE ALONGSIDE HIM. AS AN AMERICAN OF ENORMOUS COURAGE AND INDOMITABLE SPIRIT, HE MAKES ALL OF US PROUD TO BE HIS COUNTRYMEN. SENATOR JACOB JAVITS.

IN MY REMARKS TONIGHT, THERE WILL BE LITTLE THAT HASN'T ALREADY BEEN SAID BEFORE. BUT THERE ARE ALWAYS NEW PROBLEMS THAT NEED TO BE EXAMINED IN THE LIGHT OF SOME OLD, BASIC TRUTHS. LET ME TELL YOU TONIGHT ABOUT SOME ENDURING REALITIES, AND DEBUNK SOME NEW MYTHS THAT HAVE GAINED CURRENCY.

ROLE OF ECONOMIC LEADERSHIP

THE UNITED STATES REMAINS THE LEADER OF THE WORLD ECONOMY. FOR THOSE WHO DOUBTED THIS, THE REALITY WAS BROUGHT HERE BY OUR RECORD PERFORMANCE IN 1984. REAL GROWTH, AT 6.8%, WAS THE HIGHEST SINCE 1951. INFLATION REMAINS LOW, AND MORE AMERICANS ARE WORKING THAN EVER BEFORE. CLEARLY WE HAVE PUT BEHIND US THE STAGFLATION OF THE LATE 70'S.

BUDGET CHALLENGE

AS LEADER OF THE SENATE MAJORITY, I HAVE URGED SWIFT AGREEMENT ON A PACKAGE OF SPENDING CUTS THAT WILL REDUCE THE DEFICIT AND KEEP IT DECLINING IN FUTURE YEARS. I FIND A STRONG CONSENSUS, REFLECTED IN THE PRESIDENT'S BUDGET, THAT EVERYTHING MUST BE TOUCHED -- FROM DEFENSE AND ENTITLEMENTS, TO AID TO STATE AND LOCAL GOVERNMENTS. DISTINGUISHED EXPERTS RANGING FROM ALAN

GREENSPAN TO CHARLES SCHULTZE TO PAUL VOLCKER ARE CONVINCED THAT CUTTING NEXT YEAR'S DEFICIT BY \$50 BILLION OR MORE WILL BRING LOWER INTEREST RATES, REDUCE THE THREAT OF RENEWED INFLATION, AND HELP GIVE OUR CITIZENS THE KIND OF ECONOMIC SECURITY THEY DESERVE, AND WHICH WAS MISSING IN THE 1970'S.

CONGRESS WILL DIFFER FROM THE PRESIDENT ON SPENDING PRIORITIES, PARTICULARLY ON DEFENSE. BUT WE NEED TO PUT ASIDE PARTY POLITICS AND DO THE JOB WE WERE ELECTED TO DO: ECONOMIC RECOVERY. THAT IS WHAT THE PEOPLE WANT. IT IS WHAT WE, AND OUR ALLIES EVERYWHERE, NEED.

U.S. ECONOMIC STRENGTH AND GLOBAL COMMITMENTS

AMERICA'S ECONOMIC LEADERSHIP IS IMPORTANT TO ALL THE WORLD. TO THIS AUDIENCE, I MIGHT EMPHASIZE THAT IT IS PARTICULARLY IMPORTANT TO ISRAEL, BECAUSE THE STRENGTH OF OUR ECONOMY GOVERNS

OUR ABILITY TO AID OUR FRIENDS AND ALLIES ACROSS THE GLOBE, BOTH ECONOMICALLY AND MILITARILY. AND WE HAVE NO FIRMER FRIEND, NOR STRONGER ALLY, THAN THE STATE OF ISRAEL.

THAT IS ONE REASON -- IF ANOTHER REASON IS NEEDED -- WHY PRESIDENT REAGAN, AND THOSE OF US WHO ARE IN THE CONGRESSIONAL LEADERSHIP, NEED ALL THE SUPPORT WE CAN MUSTER FOR OUR EFFORTS TO REDUCE THE DEFICIT. \$200 BILLION DEFICITS CANNOT BE SUSTAINED WITHOUT UNDERMINING OUR ECONOMIC STRENGTH. BEHIND THOSE DEFICITS HOVER THE SPECTRES OF INFLATION, OF RECESSION, AND OF PROTECTIONISM. WE HAVE LIVED WITH THOSE EVILS BEFORE -- WE KNOW THEY MUST BE REJECTED. AND THEY CAN BE, IF WE REDUCE SPENDING TO MANAGEABLE LEVELS TO KEEP OUR RECOVERY GOING. ALL OF OUR FRIENDS -- ESPECIALLY THOSE WHO, LIKE ISRAEL, SHARE OUR DEMOCRATIC PRINCIPLE -- HAVE A VITAL STAKE IN OUR DEFICIT DEBATE.

MIDDLE EAST REALITIES

I SAID EARLIER THAT I WANT TO TALK ABOUT SOME OLD AND
ENDURING REALITIES, AND IN THE PROCESS DEBUNK A FEW NEW AND
BEGUILING MYTHS.

THERE IS NO AREA OF THE WORLD IN WHICH MYTH AND REALITY ARE
MORE IMPORTANT, OR MORE DIFFICULT TO DIFFERENTIATE, THAN IN THE
MIDDLE EAST. BECAUSE OF THAT, AND BECAUSE MANY OF YOU HAVE A
SPECIAL INTEREST IN THAT REGION, I WANT TO TALK MOSTLY TONIGHT
ABOUT THE MIDDLE EAST AND THE INTERESTS OF OUR COUNTRY THERE.

ONE OF THE ENDURING TRUTHS ABOUT THE MIDDLE EAST IS THAT THE
UNITED STATES HAS MANY INTERESTS -- INTERESTS THAT I THINK CAN BE
FAIRLY DESCRIBED AS VITAL -- IN THAT REGION. IT IS WORTH
REVIEWING THE ROSTER OF THOSE INTERESTS.

FIRST, WE HAVE A MAJOR STRATEGIC INTEREST IN PREVENTING THE GROWTH OF SOVIET INFLUENCE IN THE REGION. THE RUSSIANS PLACE A HIGH PRIORITY ON STRENGTHENING THEIR FORMIDABLE PRESENCE IN SYRIA, LIBYA AND IRAQ AND IN EXPANDING THEIR TIES WITH MORE MODERATE STATES IN THE REGION. FOR THAT REASON, THE RECENT SOVIET SALE OF AIR DEFENSE WEAPONS TO JORDAN WORRIES ME. THAT IS THE KIND OF REALITY WE MUST GRAPPLE WITH IN MAKING OUR OWN ARMS SALES DECISIONS. FURTHER, TO THE EXTENT THE RUSSIANS DO STRENGTHEN THEIR POSITION IN THE MIDDLE EAST, THEY BOTH THREATEN OUR DIRECT INTERESTS THERE AND SHIFT THE GLOBAL BALANCE SIGNIFICANTLY IN THEIR FAVOR.

ANOTHER INTEREST WE HAVE IN THE REGION IS OIL. WHILE THERE IS GOOD NEWS ON THE OIL FRONT -- CONSERVATION IS WORKING, SUPPLIES ARE UP, PRICES ARE DOWN -- WE WILL BE HEAVILY DEPENDENT

ON MIDDLE EAST OIL FOR THE FORESEEABLE FUTURE. SOME OF OUR STRONGEST ALLIES, MOREOVER, HAVE AN EVEN GREATER NEED FOR SUPPLIES FROM THAT REGION. MAYBE WE COULD LIVE WITH ANOTHER MAJOR DISRUPTION OF MIDDLE EAST OIL SUPPLIES, BUT WE COULDN'T LIVE QUITE THE WAY WE DO NOW.

THE MIDDLE EAST HAS OUR ATTENTION FOR A THIRD REASON. AS THE NERVE CENTER OF STATE-SPONSORED TERRORISM, IT IS THE FOCUS OF OUR ANTI-TERRORIST CAMPAIGN. WHEN STATES LIKE IRAN AND LIBYA ACT AS RUTHLESS OUTLAWS, AND STATES LIKE SYRIA HARBOR TERRORIST GROUPS, OUR INTERESTS -- AND OUR PEOPLE -- CANNOT BE SECURE.

FINALLY, WE HAVE A GREAT STAKE IN PRESERVING THE POLITICAL STABILITY OF THE MIDDLE EAST BY PROTECTING THE TERRITORIAL INTEGRITY OF STATES IN THE REGION. OF ALL THE COMMITMENTS WE HAVE MADE FOR THAT PURPOSE, NONE IS MORE IMPORTANT THAN OUR ENDURING COMMITMENT TO THE SECURITY OF THE STATE OF ISRAEL.

Sing
NOW, AS IN EACH YEAR ~~OF~~ 1948, ISRAEL IS OUR BEST AND MOST
IMPORTANT FRIEND. THIS IS THE MOST ENDURING REALITY FOR US IN
THE MIDDLE EAST. OUR SUPPORT FOR ISRAEL HAS BEEN, AND WILL
REMAIN, THE KEY TO THE STABILITY OF THE REGION AND THE FOUNDATION
FOR GUARDING OUR VARIED INTERESTS IN THE REGION.

HOW SECURE IS THAT FOUNDATION? *v* LET US CONSIDER THREE
SEPARATE BUT RELATED ASPECTS OF THAT QUESTION: THE MIDDLE EAST
PEACE PROCESS, THE ISRAELI ECONOMY AND THE QUESTION OF U.S.
SECURITY AND ECONOMIC ASSISTANCE FOR ISRAEL.

PEACE PROCESS

ONE MYTH THAT NEEDS DEBUNKING IS THAT THE PEACE PROCESS IS
DEAD, THAT NONE OF THE PLAYERS REALLY WANT TO PLAY. THE UNITED
STATES IS SUPPOSEDLY TOO BUSY WITH ARMS CONTROL, THE BUDGET
DEFICIT, AND EUROPEAN SECURITY TO GIVE SERIOUS ATTENTION TO THE

MIDDLE EAST. THE ISRAELI GOVERNMENT IS CALLED TOO FRAGILE TO UNDERTAKE NEW PEACE EFFORTS. THE ARAB STATES, AS ALWAYS, ARE SEEN AS TOO DIVIDED AND SUSPICIOUS TO SERIOUSLY PURSUE NEGOTIATED SETTLEMENTS.

I DO NOT UNDERESTIMATE THE ENORMOUS OBSTACLES TO PEACE IN THE MIDDLE EAST. BUT THESE MYTHS DO NOT GIVE A TRUE PICTURE OF OUR COMMITMENT TO THE PEACE PROCESS, THE GENUINE ISRAELI INTEREST IN THE PROCESS, AND, YES, THE GENUINE INTEREST NOT ONLY IN EGYPT BUT IN OTHER MIDDLE EASTERN STATES AS WELL.

REAGAN PEACE PROPOSAL

PRESIDENT REAGAN'S 1982 PEACE PROPOSAL WAS A MAJOR AND INNOVATIVE STEP. IT SOUGHT TO INVOLVE ALL PARTIES IN A REALISTIC DISCUSSION OF THE PROSPECTS FOR PEACE IN THE REGION. THE ADMINISTRATION HAS FAR FROM GIVEN UP -- IT SEES THAT INITIATIVE

AS THE MOST ATTRACTIVE VEHICLE FOR "WAGING PEACE" IN THE MIDDLE EAST. I KNOW THAT SECRETARY OF STATE SHULTZ GIVES THESE ISSUES A GREAT DEAL OF HIS PERSONAL ATTENTION AND, IN A QUIET WAY, IS CONTINUING TO LOOK AT WAYS TO ADVANCE THE PEACE PROCESS.

AS YOU KNOW, WE WILL SOON MEET WITH THE SOVIETS FOR A DISCUSSION OF MIDDLE EAST ISSUES. WHILE THOSE TALKS WILL BE EXCHANGES OF VIEWS -- NOT NEGOTIATIONS -- THEY MAY HELP CLARIFY OUR POSITIONS IN A WAY THAT COULD REVITALIZE THE PEACE PROCESS. THE PRESIDENT WILL BE HOSTING KING FAHD OF SAUDI ARABIA NEXT WEEK AND PRESIDENT MUBARAK SHORTLY THEREAFTER. THE QUESTION OF WHERE WE ARE IN THE PROCESS, AND WHERE WE SHOULD GO, UNDOUBTEDLY WILL BE A MAJOR FOCUS OF THOSE VISITS.

I CANNOT PREDICT, NOR DO I ANTICIPATE A MAJOR NEW AMERICAN PEACE INITIATIVE IN THE NEXT FEW MONTHS. I DO SAY, THOUGH, THAT THIS NATION, THIS ADMINISTRATION, REMAINS AS COMMITTED AS EVER TO THE PEACE PROCESS, AND THAT THE PRESIDENT, THE SECRETARY OF STATE AND OTHERS CONTINUE TO GIVE THE MATTER THEIR MOST SERIOUS ATTENTION.

ISRAEL'S COMMITMENT TO PEACE

IN ISRAEL, THE GOVERNMENT'S INTENTION TO WITHDRAW FROM LEBANON REMOVES ONE IMPORTANT BARRIER TO THE RESUMPTION OF THE PEACE PROCESS. INDEED, IN GETTING CABINET APPROVAL FOR THAT CONTROVERSIAL WITHDRAWAL, PRIME MINISTER PERES HAS SHOWN THAT HE AND HIS GOVERNMENT CAN MOVE DECISIVELY ON EVEN THE MOST SENSITIVE QUESTIONS, WHEN THEY PERCEIVE IT IS IN THEIR INTEREST TO DO SO.

IMMEDIATELY AFTER TAKING OFFICE, PRIME MINISTER PERES ALSO PROPOSED NEGOTIATIONS, WITHOUT PRECONDITIONS, TO JORDAN'S KING HUSSEIN. THAT OFFER REMAINS OPEN, AND SOME OF THE STALLED TALKS WITH EGYPT HAVE BEEN RESUMED. NOW BOTH PERES AND MUBARAK TALK ABOUT THE NEED TO RESTORE THE MOMENTUM TOWARD BETTER BILATERAL RELATIONS. THERE IS A LONG AND DIFFICULT PATH TO TREAD BEFORE WE MAY SEE MUCH CONCRETE IMPROVEMENT, BUT THE ISRAELIS CERTAINLY HAVE NOT ABANDONED THEIR HOPES OR THEIR EFFORTS.

FINALLY, THERE IS CONSIDERABLE FERMENT -- SOME OF IT POTENTIALLY HELPFUL -- AMONG THE ARAB STATES AND OTHER PLAYERS IN THE MIDDLE EAST EQUATION. THE RESTORATION OF JORDAN'S RELATIONS WITH EGYPT WAS AN IMPORTANT STEP IN THE DIRECTION OF NORMALIZING POLITICAL RELATIONSHIPS IN THE REGION.

LET ME REITERATE: I'M NOT EXPECTING ANY GREAT
BREAKTHROUGHS. BUT WE'RE STILL TRYING, THE ISRAELIS ARE STILL
TRYING, AND OTHERS ARE STILL TRYING. AND WE'RE GOING TO KEEP
TRYING UNTIL WE GET THERE.

THE ISRAELI ECONOMY

I WANT TO TURN FOR A FEW MOMENTS NOW TO THE STATE OF ISRAEL'S
ECONOMY. THE ISRAELI GOVERNMENT HAS EMPHATICALLY -- AND WISELY
-- MADE THE RESOLUTION OF ITS ECONOMIC PROBLEMS ITS TOP
PRIORITY. THERE IS A DIRECT RELATIONSHIP BETWEEN THE HEALTH OF
THE ISRAELI ECONOMY AND THE STRENGTH AND SECURITY OF THE ISRAELI
STATE. NEITHER WE NOR THE ISRAELIS MISTAKE THAT RELATIONSHIP.

AND THE ISRAELI ECONOMY IS, BY ANY STANDARD, IN BAD SHAPE.
DEFENSE AND DEBT SERVICE EXPENDITURES CONSUME TWO-THIRDS OF
ISRAEL'S NATIONAL BUDGET. ALTHOUGH THERE HAS BEEN SOME

IMPROVEMENT IN PRICE STABILITY, THREE DIGIT INFLATION CONTINUES. ISRAEL HAS A \$5 BILLION BALANCE OF PAYMENTS DEFICIT, THE HIGHEST PER CAPITA PUBLIC DEBT IN THE WORLD AND GROWING UNEMPLOYMENT. IT IS IN ECONOMIC TROUBLE -- DEEP, DEEP ECONOMIC TROUBLE.

BUT THE PERES GOVERNMENT HAS TAKEN SOME IMPORTANT INITIAL STEPS TO GET ITS ECONOMIC PROBLEMS UNDER CONTROL. IT HAS BEGUN LONG-OVERDUE EFFORTS TO TRIM GOVERNMENT SPENDING, ESPECIALLY BY REDUCING SUBSIDIES; TO BRING THE WAGE AND PRICE SPIRAL BACK TO EARTH THROUGH A SERIES OF JAW-BONED AGREEMENTS WITH BUSINESS AND LABOR; AND TO IMPOSE SOME CONTROL ON CONSUMER IMPORTS.

I BELIEVE -- AND I THINK MANY ISRAELIS AGREE -- THAT MORE NEEDS TO BE DONE. I CAN SAY TRUTHFULLY THAT I KNOW HOW POLITICALLY DIFFICULT ARE THE DECISIONS WHICH FACE PERES AND OTHERS IN THE ISRAELI GOVERNMENT. BUT THOSE DECISIONS HAVE GOT TO BE MADE AND THEY HAVE GOT TO BE MADE SOON.

U.S. AID TO ISRAEL

AND LET US BE VERY CLEAR -- WE HAVE TO HELP. WE HAVE TO HELP BECAUSE ITS THE RIGHT THING TO DO FOR ONE OF OUR STAUNCHEST FRIENDS. MUCH MORE IMPORTANTLY, WE HAVE TO HELP BECAUSE ITS IN OUR INTEREST -- OUR OWN NATIONAL INTEREST -- TO HELP. OUR ECONOMIC COOPERATION WITH AND ASSISTANCE TO ISRAEL ARE AMONG THE BEST INVESTMENTS WE CAN MAKE, IN FOSTERING THE STABILITY OF THE MIDDLE EAST AND IN FURTHERING OUR OWN INTERESTS IN THAT IMPORTANT REGION.

IN ONE AREA -- ESTABLISHING A FREE TRADE ZONE -- THE UNITED STATES AND ISRAEL HAVE ALREADY MADE SIGNIFICANT PROGRESS. THE ADMINISTRATION HAS ALL BUT COMPLETED NEGOTIATIONS WITH ISRAEL ON AN AGREEMENT THAT WILL EVENTUALLY CEMENT OUR ALREADY CLOSE

ECONOMIC TIES AND PUT THEM ON A LONG-LASTING BASIS. IF EVERYTHING GOES AS PLANNED, A TREATY SHOULD BE RATIFIED AND IN PLACE BY SOMETIME THIS SUMMER.

IN REGARD TO DIRECT ASSISTANCE, THE ADMINISTRATION HAS BEEN IN CLOSE TOUCH WITH THE ISRAELI GOVERNMENT TO FORMULATE AN APPROPRIATE, COMPREHENSIVE AND EFFECTIVE PROGRAM OF SPECIAL ASSISTANCE TO HELP ISRAEL MEET BOTH ITS IMMEDIATE PROBLEMS AND THE UNDERLYING AND ON-GOING CAUSES OF THE EMERGENCY. SO FAR, ONLY ONE COMPONENT OF THE PACKAGE -- SECURITY ASSISTANCE FOR FY86 -- HAS BEEN ANNOUNCED, AT A LEVEL OF \$1.8 BILLION, ABOUT \$400 MILLION MORE THAN LAST YEAR.

THE ADMINISTRATION HAS REAFFIRMED THAT THE ECONOMIC ASSISTANCE PACKAGE IS STILL UNDER INTENSIVE STUDY, IN WASHINGTON AND IN CONSULTATION WITH THE ISRAELI GOVERNMENT. I ANTICIPATE

THAT PACKAGE WILL INCLUDE A REQUEST FOR A SUPPLEMENTAL APPROPRIATION FOR FY85, TO PROVIDE SOME NEEDED QUICK ECONOMIC RELIEF, AND A SUBSTANTIAL SUM OF ESF MONEY FOR FY86, AT OR ABOVE THE FY85 LEVEL OF \$1.2 BILLION.

WE HAVE ALSO MADE IT CLEAR, PUBLICLY AND PRIVATELY, THAT THE U.S. CAN PROVIDE THIS EMERGENCY AND ON-GOING ASSISTANCE ONLY IF THE ISRAELIS TAKE DECISIVE STEPS TO PUT THEIR OWN ECONOMIC HOUSE IN ORDER. IN THE ABSENCE OF MUCH NEEDED BELT-TIGHTENING AND REFORMS -- SOME OF IT UNDERWAY, AS I HAVE SAID, WITH HOPEFULLY MORE TO COME -- ADDITIONAL U.S. AID WILL SIMPLY NOT HAVE MUCH LASTING EFFECT. BY ALL ACCOUNTS, THE ISRAELI GOVERNMENT UNDERSTANDS AND AGREES TO THAT CENTRAL POINT.

AND OF COURSE, ANY DECISIONS WILL ULTIMATELY HAVE TO BE TAKEN
IN THE CONTEXT OF OUR OWN SERIOUS BUDGET AND DEFICIT PROBLEMS.

IN CLOSING, LET ME REITERATE MY -- THE ADMINISTRATION'S
UNWAVERING SUPPORT OF THE STATE OF ISRAEL. "NEXT YEAR IN
JERUSALEM" BECAME A REALITY IN 1948. THE UNITED STATES WILL DO
EVERYTHING IN ITS POWER TO ENSURE THAT THE REALITY ENDURES.

THANK YOU. AND SHALOM.

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