

REMARKS OF SENATOR BOB DOLE
KANSAS PRESS ASSOCIATION
MANHATTAN, KANSAS APRIL 20, 1985

FIRST, I WANT TO CONGRATULATE JOHN STAUFFER ON HIS ELECTION AS PRESIDENT OF THE KANSAS PRESS ASSOCIATION. JOHN, OF COURSE, IS A MEMBER OF ONE OF OUR STATE'S GREAT JOURNALISM FAMILIES. I ALSO WOULD LIKE TO CONGRATULATE MY OLD FRIEND, JIGGS MORFORD, WHO JUST COMPLETED A SUCCESSFUL TERM AS YOUR PRESIDENT.

JIGGS WAS AMONG A GROUP OF KANSAS EDITORS WHO VISITED ME IN WASHINGTON LAST MONTH. WE HAD A GOOD VISIT AND I THANK ALL OF THE EDITORS WHO STOPPED BY. PLEASE, IF YOU ARE EVER IN WASHINGTON, STOP BY THE OFFICE IF I'M NOT THERE, MY DOG "LEADER" WILL BE.

DEFICIT REDUCTION KICK-OFF

ON MONDAY THE SENATE WILL BEGIN DEBATING A DEFICIT REDUCTION PACKAGE THAT WOULD SLASH \$52 BILLION FROM THE FEDERAL DEFICIT NEXT YEAR AND CLOSE TO \$300 BILLION OVER THE NEXT THREE YEARS.

LAST YEAR, WE ALL HEARD A LOT OF SPEECHES ABOUT CUTTING THE DEFICIT. I THINK JUST ONE SPEECHWRITER COULD HAVE WRITTEN EVERY ONE OF THEM. THE RHETORIC WAS RIGHT ON TARGET: CONGRESS HAS TO TAKE ACTION THIS YEAR THAT WILL SUBSTANTIALLY REDUCE THE FEDERAL DEFICIT. AND RAISING TAXES IS NOT THE WAY TO RID THE NATION OF THE FLOOD OF RED INK."

ENOUGH RHETORIC. NOW IS THE TIME TO FIND OUT WHETHER ALL THOSE SUCCESSFUL POLITICIANS ARE WILLING TO BACK UP THEIR CAMPAIGN SPEECHES WITH ACTION. IT IS NOT GOING TO BE EASY.

OUTDATED PROGRAMS

SOME OF THE PROGRAMS WE ARE TALKING ABOUT ELIMINATING HAVE OUTLIVED THEIR USEFULNESS. IN THE EARLY 1970'S FOR INSTANCE, IT WAS DECIDED THAT THE FEDERAL GOVERNMENT SHOULD HELP AMTRAK -- THE PASSENGER TRAIN SYSTEM -- SURVIVE FOR 2 YEARS BY PUMPING IN A FEW MILLION DOLLARS. NINE BILLION DOLLARS AND FOURTEEN YEARS LATER, THE FEDERAL GOVERNMENT IS STILL HELPING -- BUT THE SYSTEM IS NO BETTER OFF.

THERE IS ONE BUDGET ISSUE THAT I KNOW IS OF SPECIAL CONCERN TO MANY OF YOU -- ELIMINATING OR REDUCING POSTAL SUBSIDIES.

UNDER THE BUDGET COMPROMISE AGREED TO BY PRESIDENT REAGAN AND THE SENATE REPUBLICAN LEADERSHIP, SUBSIDIES FOR PREFERRED MAILERS SUCH AS PROFIT-MAKING NEWSPAPERS AND MAGAZINES WOULD BE DENIED SUBSIDIZED RATES. PRECISELY HOW THIS WOULD BE IMPLEMENTED, WILL BE DECIDED AS THE BUDGET PROCESS MOVES FORWARD. I WANT TO ASSURE YOU, HOWEVER, THAT I UNDERSTAND YOUR ANXIETY AND WILL BE OPEN TO YOUR SUGGESTIONS ON THIS ISSUE.

POSTAL SUBSIDIES, THE SMALL BUSINESS ADMINISTRATION, AND THE JOB CORPS ALL HAVE MERIT. BUT THE FACT OF THE MATTER IS THAT THE FEDERAL GOVERNMENT IS IN DEBT TO THE TUNE OF \$1.8 TRILLION DOLLARS. AND, IF WE KEEP RUNNING UP \$200 BILLION DOLLAR A YEAR DEFICITS. LIKE WE HAVE BEEN, AND ARE PROJECTED TO, OVER THE NEXT THREE YEARS, WE WILL HAVE A \$2 TRILLION DOLLAR DEBT BY 1988.

IN 1985 INTEREST ON THE NATIONAL DEBT WILL COST TAXPAYERS \$130 BILLION TO PUT THIS IN SIMPLE TERMS, ABOUT 40 PERCENT OF ALL REVENUE COLLECTED FROM THE GOVERNMENT FROM PERSONAL INCOME TAXES WILL GO TO PAY INTEREST COSTS AND PROVIDE NO FEDERAL SERVICES AT ALL.

WE'VE COME A LONG WAY

I'M NOT AN ECONOMIST, BUT ALMOST EVERY ECONOMIST WE'VE HEARD TESTIFY ON CAPITOL HILL TELLS US THE SAME THING: UNLESS THE FEDERAL GOVERNMENT CUTS SPENDING -- AND CUTS IT IN A MAJOR WAY -- THE ECONOMIC PROSPERITY MANY OF US HAVE ENJOYED IS HEADED FOR THE ROCKS. AND THE PROSPECT FOR BRINGING THOUSANDS OF OTHER AMERICANS INTO THE SYSTEM -- PROVIDING THEM WITH JOBS AND HOPE FOR THE FUTURE -- WILL ALSO BE DASHED.

IF THE BUDGET PLAN WERE ADOPTED, WALL STREET ECONOMISTS TELL US THAT ALMOST 7 MILLION NEW JOBS WILL BE CREATED BY 1988; HOUSING STARTS WILL BE BACK AT THE 2 MILLION UNIT LEVEL, INFLATION SHOULD REMAIN LOW, AT AROUND 4 PERCENT, AND NATIONAL PERSONAL INCOME SHOULD INCREASE \$800 BILLION BY 1988.

WE'VE COME A LONG WAY IN THE LAST FOUR YEARS. WE'VE ALREADY CREATED 8 MILLION NEW JOBS. INFLATION HAS BEEN CUT FROM OVER 13 PERCENT TO JUST 4 PERCENT. INTEREST RATES HAVE DROPPED FROM 21 PERCENT TO 11 PERCENT. IT ALL ADDS UP TO THE STRONGEST ECONOMIC RECOVERY IN ALMOST THIRTY YEARS.

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.