

MEMORANDUM

APRIL 5, 1990

TO: SENATOR DOLE
FROM: JO-ANNE *jc*
SUBJ: CINCINNATI SCHEDULE

Attached is the final schedule for tonight's trip to Cincinnati.

Please note that I have included both Walt and Richard in the manifest. If this is incorrect, I will appreciate being advised. (The only press coverage will be from local Channel 12, WKRC, so maybe you don't need Walt -- ???)

Please also note that a Mr. Stan Chesley, President of the Board of Trustees for the University of Cincinnati, has asked if he can ride into town from the airport with you. He indicates he knows you. Lindner's office advises that he is a prominent attorney in Cincinnati, with major involvement in large fires such as the MGM and Beverly Hills fires. WE CAN TURN THIS OFF IF YOU WISH, BUT I NEED TO KNOW AS SOON AS POSSIBLE IN ORDER TO DO SO.

FINAL - 4/5/90
CONTACT:
Jo-Anne Coe
202/543-5016 (O)
703/845-1714 (H)

CINCINNATI SCHEDULE - THURSDAY, APRIL 5

5:45 PM Lv. Capitol

6:00 PM Ar. Butler Aviation, Washington National Airport
 703/549-8340

6:05 PM Lv. Washington

MANIFEST: Senator Dole
 Walt Riker
 Richard Quinn

FLIGHT TIME: 55 MINUTES

AIRCRAFT: American Financial Falcon 50
TAIL NO.: 5DL
SEATS: 10 (plus jump seat)
PILOTS: Fred Hester
 Mike Railton
 513/579-2121 or 871-0848
PLANE PHONE: QM40500-077

CONTACT: Sandy Heimann or Mary Lynn
 Carl Lindner's office
 513/579-2121

SANDWICHES AND SNACK SERVED

7:00 PM Arrive Cincinnati, Ohio
 Lunken Airport, Lindner Brothers FBO
 513/871-0848

MET BY: Stan Chesley
 President, Bd. of Trustees, Univ. of Cinc.
 (Attorney - knows Senator Dole)

 Phil Collins (Carl Lindner's driver)

CAR PHONE: 513/977-6211

DRIVE TIME: 15 minutes

Mr. Chesley will ride into town with you.

CINCINNATI SCHEDULE - PAGE TWO

7:15 PM Arrive Westin Hotel
513/621-7700

(Time Permitting: Proceed to Holding Room for
brief meeting with leading Republicans)

7:20 PM Arrive Ballroom

PHONE CONTACT: 513/579-2121
(They will have someone in the Ballroom
with a beeper and mobile phone)

7:25 PM Proceed to Head Table and
Attend ANNUAL ALUMNAE DINNER
Lindner School of Business
University of Cincinnati

ATTENDEES: 800 Alumnae
PRESS: WKRC-TV (Channel 12) ONLY
FORMAT: Podium
EMCEE: Debra Silberstein,
News Anchor for WKRC-TV

HEAD TABLE: Senator Dole
Jim and Barbara Bushman
Pres., UC Alumnae Committee
Judy and David Lance,
Former Owner of Restaurant Mgmt.
(will be receiving award for his
work for the University)
Roz and Jerry Schnee,
Dean, UC Business College
Angeline and Jack Randolph,
Pres., Cinc. Gas & Elec.
(Recipient, Lindner Award)
Carol and Joe Steger,
Pres., Univ. of Cinc.
Carl Lindner
(Mrs. Lindner out of town)

NOTE: Presentation will be made of annual Carl
Lindner award to Jack Randolph, head of CG&E

8:45 PM-
9:15 PM SPEAK
(No Q&A)

CINCINNATI SCHEDULE - PAGE THREE

9:20 PM Depart Westin Hotel
DRIVER: Phil Collins
CAR PHONE: 513/977-6211
DRIVE TIME: 15 minutes

9:35 PM Arrive Lindner Bros. Hangar, Lunken Airport
513/871-0848

9:40 PM Depart Cincinnati
MANIFEST: Senator Dole
Walt Riker
Richard Quinn
FLIGHT TIME: 55 MINUTES
AIRCRAFT: American Financial Falcon 50
TAIL NO.: 5DL
SEATS: 10 (+ jump seat)
PILOTS: Fred Hester
Mike Railton
PLANE PHONE: QM40500-077

10:45 PM Arrive Butler Aviation, Washington National
703/549-8340
PROCEED TO PRIVATE

MEMORANDUM

APRIL 5, 1990

TO: SENATOR DOLE
FROM: JO-ANNE *JC*
SUBJ: CINCINNATI SCHEDULE

Attached is the final schedule for tonight's trip to Cincinnati.

Please note that I have included both Walt and Richard in the manifest. If this is incorrect, I will appreciate being advised. (The only press coverage will be from local Channel 12, WKRC, so maybe you don't need Walt -- ???)

Please also note that a Mr. Stan Chesley, President of the Board of Trustees for the University of Cincinnati, has asked if he can ride into town from the airport with you. He indicates he knows you. Lindner's office advises that he is a prominent attorney in Cincinnati, with major involvement in large fires such as the MGM and Beverly Hills fires. WE CAN TURN THIS OFF IF YOU WISH, BUT I NEED TO KNOW AS SOON AS POSSIBLE IN ORDER TO DO SO.

FINAL - 4/5/90
CONTACT:
Jo-Anne Coe
202/543-5016 (O)
703/845-1714 (H)

CINCINNATI SCHEDULE - THURSDAY, APRIL 5

5:45 PM Lv. Capitol

6:00 PM Ar. Butler Aviation, Washington National Airport
 703/549-8340

6:05 PM Lv. Washington

MANIFEST: Senator Dole
 Walt Riker
 Richard Quinn

FLIGHT TIME: 55 MINUTES

AIRCRAFT: American Financial Falcon 50
TAIL NO.: 5DL
SEATS: 10 (plus jump seat)
PILOTS: Fred Hester
 Mike Railton
 513/579-2121 or 871-0848
PLANE PHONE: QM40500-077

CONTACT: Sandy Heimann or Mary Lynn
 Carl Lindner's office
 513/579-2121

SANDWICHES AND SNACK SERVED

7:00 PM Arrive Cincinnati, Ohio
 Lunken Airport, Lindner Brothers FBO
 513/871-0848

MET BY: Stan Chesley
 President, Bd. of Trustees, Univ. of Cinc.
 (Attorney - knows Senator Dole)

 Phil Collins (Carl Lindner's driver)

CAR PHONE: 513/977-6211

DRIVE TIME: 15 minutes

Mr. Chesley will ride into town with you.

CINCINNATI SCHEDULE - PAGE TWO

7:15 PM Arrive Westin Hotel
513/621-7700

(Time Permitting: Proceed to Holding Room for
brief meeting with leading Republicans)

7:20 PM Arrive Ballroom

PHONE CONTACT: 513/579-2121
(They will have someone in the Ballroom
with a beeper and mobile phone)

7:25 PM Proceed to Head Table and
Attend ANNUAL ALUMNAE DINNER
Lindner School of Business
University of Cincinnati

ATTENDEES: 800 Alumnae
PRESS: WKRC-TV (Channel 12) ONLY
FORMAT: Podium
EMCEE: Debra Silberstein,
News Anchor for WKRC-TV

HEAD TABLE: Senator Dole
Jim and Barbara Bushman
Pres., UC Alumnae Committee
Judy and David Lance,
Former Owner of Restaurant Mgmt.
(will be receiving award for his
work for the University)
Roz and Jerry Schnee,
Dean, UC Business College
Angeline and Jack Randolph,
Pres., Cinc. Gas & Elec.
(Recipient, Lindner Award)
Carol and Joe Steger,
Pres., Univ. of Cinc.
Carl Lindner
(Mrs. Lindner out of town)

NOTE: Presentation will be made of annual Carl
Lindner award to Jack Randolph, head of CG&E

8:45 PM- SPEAK
9:15 PM (No Q&A)

CINCINNATI SCHEDULE - PAGE THREE

9:20 PM Depart Westin Hotel
DRIVER: Phil Collins
CAR PHONE: 513/977-6211
DRIVE TIME: 15 minutes

9:35 PM Arrive Lindner Bros. Hangar, Lunken Airport
513/871-0848

9:40 PM Depart Cincinnati
MANIFEST: Senator Dole
Walt Riker
Richard Quinn
FLIGHT TIME: 55 MINUTES
AIRCRAFT: American Financial Falcon 50
TAIL NO.: 5DL
SEATS: 10 (+ jump seat)
PILOTS: Fred Hester
Mike Railton
PLANE PHONE: QM40500-077

10:45 PM Arrive Butler Aviation, Washington National
703/549-8340
PROCEED TO PRIVATE

April 5

in case of late
arrival at 7:30 or 8

Joe

Dg

MEMORANDUM

MARCH 23, 1990

TO: SENATOR DOLE
FROM: JO-ANNE
SUBJ: SPEAKING ENGAGEMENT - APRIL 5

W. J. Dole
S. J. Dole

I spoke again with Carl Lindner's people regarding your speaking engagement April 5 in Cincinnati. Following are the pertinent details:

Mr. Lindner will send his G-4 to pick you up at Washington (Butler Aviation) (and return you to DC)

Mr. Lindner will provide ground transportation in Cincinnati

Subject of speech can be any topic of your choosing. Lindner will speak to Dean of the school, and if there is anything of particular interest to them, he will let us know. Otherwise, a discussion of the Senate agenda for the balance of the year would be useful, your views of the Rostenkowski proposal, any other topical legislative issues.

W. J. Dole

It is a 45-minute flight to Cincinnati, and a 15-20 minute drive from the Cincinnati airport to the event -- so departure time will depend on whether or not you want to arrive during reception time, during dinner, or just in time to speak and then leave.

COCKTAILS: 6:30-7:20 PM
DINNER: 7:20-8:45 PM
ATTENDEES: 800
WHO: University of Cincinnati
Lindner School of Business
PRESS: (Your call)
SPEAK: 8:45-9:15 PM
DEPART: 9:15 (PROMPT)

15-20 MIN DRIVE TO AIRPORT

WHEELS-UP: 9:40 PM
45 MIN. FLIGHT
ARRIVE WASHINGTON 10:25 PM

CONTACT: Sandy Heineman
513/579-2121

TO: JOYCE

FROM: JO-ANNE

ONE PAGE FOLLOWS.

HERE'S EVERYTHING I HAVE SO FAR ON THE APRIL 5 SPEECH IN CINCINNATI.

PLEASE NOTE NO SUBJECT YET DETERMINED FOR THE SPEECH, SO NO ONE HAS YET BEEN ASSIGNED THIS TASK. SANDY HEINEMAN IS LINDNER'S ASSISTANT (OF 30 YEARS), AND IS SUPPOSED TO GET BACK TO ME TOMORROW IF THERE'S ANYTHING SPECIAL THEY WANT HIM TO TALK ABOUT. OTHERWISE, AS THE MEMO INDICATES, ANY TOPICAL LEGISLATIVE ISSUES.

NOTE ALSO THAT THE SENATOR WILL HAVE TO DECIDE AT SOME POINT AT WHAT TIME HE WANTS TO ARRIVE AT THE EVENT, AND THEREFORE WHAT TIME HE'LL NEED (OR WANT) TO LEAVE HERE.

AT THE SENATOR'S REQUEST, I HAVE NOTIFIED HOWARD GREENE THAT HE WILL HAVE TO PROTECT THE SENATOR ON VOTES, ETC. ON APRIL 5 -- BUT OBVIOUSLY WE WILL HAVE TO KEEP HOWARD ADVISED AS WE GET CLOSER TO DETERMINING EXACTLY WHAT TIME THE SENATOR WILL HAVE TO LEAVE.

(RECESS DOESN'T BEGIN UNTIL CLOSE OF BUSINESS APRIL 6, BUT SENATOR MITCHELL'S CODEL TRIP LEAVES FRIDAY MORNING, SO WE CAN ASSUME NO BUSINESS ON FRIDAY -- BUT PRESUMABLY APRIL 5 COULD THEREFORE BE A BUSY AND LATE NIGHT.)

News from Senator

BOB DOLE



(R - Kansas) SH 141 Hart Building, Washington, D.C. 20510
FOR IMMEDIATE RELEASE
APRIL 5, 1990

CONTACT: WALT RIKER
(202) 224-5358

SENATOR BOB DOLE
SPEECH
TO THE UNIVERSITY OF CINCINNATI
LINDNER SCHOOL OF BUSINESS
ALUMNI ASSOCIATION
APRIL 5, 1990

GOOD EVENING. I JUST HAPPENED TO BE IN TOWN TO SEE THE MAPPLETHORPE EXHIBIT, AND DECIDED TO DROP BY FOR DINNER.

I'D LIKE TO THANK CARL LINDNER FOR ASKING ME TO JOIN YOU HERE TONIGHT. I'VE KNOWN CARL FOR A LONG TIME. HE REPRESENTS THE EPITOME OF SUCCESS IN AMERICAN BUSINESS, AND IT IS CERTAINLY FITTING THAT YOUR FINE BUSINESS SCHOOL BEARS HIS NAME.

A LOT HAS HAPPENED AROUND THE WORLD SINCE THIS SCHOOL TURNED OUT THE CLASS OF '89. THE CHANGES ARE EXCITING, THE CHALLENGES ENORMOUS, BUT THE OPPORTUNITIES GREAT. DESPITE ALL THE CHANGES, HOWEVER, TWO THINGS REMAIN CONSTANT: DEMOCRACY AND DEFICITS. I'LL TALK ABOUT THE CAUTIOUS GOOD NEWS FIRST, THEN TAKE A LOOK AT THE TROUBLING ECONOMIC PICTURE.

LITHUANIA
GORBACHEV'S
REAL TEST

RIGHT NOW, THE WHOLE WORLD IS WATCHING LITHUANIA. THIS IS GORBACHEV'S FIRST REAL TEST SINCE HE ASCENDED TO THE PRESIDENCY IN THE SOVIET UNION. LAST NIGHT, I MET WITH THE SOVIET FOREIGN MINISTER -- MR. SCHEVARDNADZE -- AND I CAN TELL YOU THE SOVIETS KNOW THEY'VE GOT REAL TROUBLE. IN FACT, COMBINED WITH ALL THE OTHER PROBLEMS BOMBARDING THE KREMLIN THESE DAYS, MR. SCHEVARDNADZE TOLD US THAT WITHOUT REAL "ACROSS-THE-BOARD" PROGRESS ON INTERNAL MATTERS, PRESIDENT GORBACHEV COULD BE IN TROUBLE.

LITHUANIA MAY BE A SMALL COUNTRY -- BUT THE STAKES FOR ITS PEOPLE, FOR THE SOVIET UNION AND FOR U.S.-SOVIET RELATIONS COULDN'T BE MUCH HIGHER. PRESIDENT BUSH AND I BOTH BELIEVE THE SITUATION IN LITHUANIA CAN BEST BE RESOLVED BY PEACEFUL NEGOTIATION. BUT MAKE NO MISTAKE ABOUT IT -- THE WHITE HOUSE AND THE CONGRESS STAND WITH THE LITHUANIAN PEOPLE.

THE SOVIET AUTHORITIES MUST UNDERSTAND THE BOTTOM LINE; IF THEY USE FORCE TO DENY THE LITHUANIAN PEOPLE THE RIGHT TO CHOOSE THEIR OWN FUTURE, ALL BETS ARE OFF. UNDER THOSE TERRIBLE CIRCUMSTANCES, THE SOVIETS CAN KISS GOOD-BYE TO THE KIND OF POLITICAL AND ECONOMIC RELATIONSHIP THAT THEY SO CLEARLY WANT, AND SO BADLY NEED, WITH THE UNITED STATES. THEY CAN KISS GOOD BYE TO U.S. TECHNICAL ASSISTANCE, VASTLY EXPANDED INVESTMENT AND TRADE, AND THE FUNDAMENTALLY NEW KIND OF POLITICAL RELATIONSHIP THAT HAS DEVELOPED OVER THE LAST TWO YEARS.

IN ANY EVENT, I FIRMLY BELIEVE THAT THE CHANGES IN THE SOVIET UNION, IN THE COMMUNIST BLOC AND THE WORLD ARE FUNDAMENTAL CHANGES. THEY ARE NOT GOING TO BE REVERSED.

GORBACHEV GAMBLE
BACKFIRES

IN MY OWN VIEW, STARING COMMUNISM'S FAILURE IN THE FACE, GORBACHEV TOOK A GAMBLE. BY LAUNCHING POLICIES WE NOW CODE-WORD "GLASNOST" AND "PERSTROIKA," HE GAMBLERD THAT A LITTLE FREEDOM -- POLITICAL, SOCIAL AND ECONOMIC -- COULD SOMEHOW REVITALIZE A SPENT SYSTEM.

THE GAMBLE DIDN'T WORK.

(MORE)

THE GENIE IS OUT OF THE BOTTLE. THE COMMUNIST PARTIES OF EASTERN EUROPE HAVE BEEN TOTALLY DISCREDITED. THE SOVIET UNION ITSELF IS SUFFERING INCREDIBLE INTERNAL STRAINS.

GIVEN THESE OBVIOUS UNCERTAINTIES, I WOULDN'T PRECLUDE ANY OUTCOME INSIDE THE KREMLIN -- FROM GORBACHEV'S CONTINUES CONSOLIDATION OF PERSONAL AUTHORITY, TO HIS OUSTER. AND I WOULDN'T ENTIRELY WRITE OFF THE POSSIBILITY THAT HIS OUSTER COULD LEAD TO A REAL CRACKDOWN INSIDE THE SOVIET UNION.

THE DEFICIT

IN WASHINGTON, WE NEED A CRACKDOWN OF A DIFFERENT SORT -- A CRACKDOWN ON THE FEDERAL BUDGET DEFICIT. THE NATIONAL DEBT IS 3.2 TRILLION DOLLARS. OUR INTEREST PAYMENT ON THAT DEBT IS \$175 BILLION A YEAR -- AND THAT'S JUST INTEREST! WE'RE BROKE. AND THE SAD PART IS OUR CREDIT-RACKED ECONOMY IS BEING HELD TOGETHER BY THE JAPANESE.

IF THEY START CALLING IN THE CREDIT CARD BILLS, WE'RE IN DEEP TROUBLE; AND NOW THAT THEIR INTEREST RATES ARE GOING UP, WE MAY BE SOON SCRAMBLING FOR ANOTHER SOURCE OF CASH AND CREDIT.

LAST YEAR, CONGRESS BASICALLY TOOK A WALK ON THE DEFICIT. WE SPENT 10 MONTHS AND DEVOTED OVER 60% OF OUR ROLL CALL VOTES IN THE SENATE TO REDUCE THE DEFICIT BY ONLY \$16 BILLION.

I WISH I COULD SAY THESE WERE TOUGH VOTES. BUT, AS USUAL, IT WAS MORE SMOKE-AND-MIRROR BUDGET TRICKS. WE FOUND \$500 MILLION IN LOST FOOD STAMPS; AND WE ACCELERATED MILITARY PAY DATES, ANOTHER GIMMICK. AND WE NEEDED FOUR MONTHS OF SEQUESTER ON TOP OF EVERYTHING ELSE.

THIS YEAR, TRICKS WON'T DO IT. WE NEED TO SHAVE OFF \$36 BILLION DOLLARS MORE TO MEET OUR GRAMM-RUDMAN DEFICIT TARGET, UNDER THE MOST OPTIMISTIC ECONOMIC ASSUMPTIONS. AND THE CONGRESSIONAL BUDGET OFFICE NOW SAYS WE NEED \$60 BILLION MORE!

S&L NIGHTMARE

I KNOW THAT MANY OF YOU ARE INTENSELY INTERESTED IN THE CONTINUING SAGA OF OUR SAVINGS AND LOAN INDUSTRY. IT'S BEEN A BIG HEADACHE FOR THE PRESIDENT, A BIG HEADACHE FOR CONGRESS, AND AN EVEN A BIGGER HEADACHE FOR THE AMERICAN PEOPLE. IT'S HITTING ALL OF US WHERE IT HURTS THE MOST -- RIGHT IN THE WALLET. BAIL-OUT FIGURES NOW LOOK LIKE MT. EVEREST -- PERHAPS AS HIGH AS \$300 BILLION!

THE SAVINGS AND LOAN INDUSTRY HAD ITS WORST YEAR EVER IN 1989, WITH LOSSES SOARING TO \$19.2 BILLION. THRIFTS IN KANSAS WERE HIT HARD TOO, LOSING ABOUT \$606 MILLION.

SO -- YOU CAN SEE -- I HAVE A PERSONAL, VESTED INTEREST IN ENSURING THAT WE SOLVE THE SAVINGS AND LOAN PROBLEM, AND THAT WE SOLVE IT QUICKLY. AND I HAVE A VESTED INTEREST IN ENSURING THAT THE NEW DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION IS SOMEONE WITH THE REQUISITE EXPERIENCE AND THE REQUISITE COMMITMENT TO TAKE ON THIS ENORMOUSLY DIFFICULT TASK.

THAT'S WHY I VOTED FOR TIM RYAN YESTERDAY TO TAKE OVER THE THRIFT JOB. THE SENATE -- DESPITE SOME CHEAP PERSONAL ATTACKS -- AGREED WITH ME AND ENDORSED THE PRESIDENT'S NOMINEE.

"EXPERTS"

GOT US INTO S&L MESS

THE SENATE SIMPLY DIDN'T BUY THE NOTION THAT YOU HAVE TO BE A THRIFT "INSIDER" -- A SO-CALLED THRIFT EXPERT -- TO TAKE ON THE JOB OF OVERSEEING THE SAVINGS AND LOAN INDUSTRY. LET'S FACE IT: IT'S THE INSIDERS -- THE SO-CALLED THRIFT EXPERTS -- WHO GOT US WHERE WE ARE TODAY -- DROWNING IN A CESSPOOL OF UNBRIDLED GREED AND FISCAL IRRESPONSIBILITY.

SOME OF THE SO-CALLED EXPERTS ARE UNDER INDICTMENT, OR IN PRISON, CHARGED WITH RIPPING OFF THEIR DEPOSITORS AND MILKING THE AMERICAN TAXPAYER OUT OF BILLIONS AND BILLIONS OF HARD-EARNED DOLLARS.

SOME OF THE "EXPERTS" ALSO HAPPEN TO BE MEMBERS OF CONGRESS, WHO SPENT ALL OF 1986 STUDYING THE PRESIDENT'S RECAPITALIZATION PLAN, ONLY TO THEN REJECT THE PLAN IN FAVOR OF A WATERED-DOWN BAND-AID VERSION.

IT WAS THE SAME EXPERTS IN CONGRESS WHO -- THROUGHOUT THE 1980S -- REJECTED BILL AFTER BILL THAT WOULD HAVE GIVEN THE FEDERAL BANKING AND THRIFT REGULATORS GREATER ENFORCEMENT POWERS.

(MORE)

RTC MUST SPEED
ASSET SALES

MEANWHILE, ON THE TAKEOVER FRONT, THE RESOLUTION TRUST CORPORATION HAS RESPONDED WELL -- PERHAPS TOO WELL -- WITH MORE THAN 380 THRIFTS NOW UNDER RTC CONSERVATORSHIP. ACCORDING TO ONE ESTIMATE, THE RTC OWNS 26,800 HOMES, 773 OFFICE BUILDINGS, 158 HOTELS, 205 RESORTS, 51 RESTAURANTS, 236 INDUSTRIAL FACILITIES AND 43 MINES. THE RTC ALSO HOLDS 37 PROPERTIES IN MY OWN HOMETOWN OF RUSSELL, KANSAS, SO I CAN CERTAINLY UNDERSTAND THOSE WHO SAY THAT THE RTC IS FAST BECOMING THE NATION'S LANDLORD.

HOWEVER, ON THE ASSET DISPOSITION FRONT, THE RTC IS NOT LIVING UP TO EXPECTATIONS, HAVING SOLD ONLY 50 OF THE THRIFTS THAT IT HAS CLOSED OR TAKEN OVER. NEEDLESS TO SAY, THE RTC'S TARDINESS IN DISPOSING OF ASSETS HAS BEEN VERY WELL-PUBLICIZED AND ROUNDLY CRITICIZED.

I CERTAINLY DON'T HAVE THE ANSWERS, NOR IS IT USEFUL TO GO AROUND BLAMING PEOPLE, BUT THE PATIENCE OF CONGRESS AND THE AMERICAN PEOPLE WILL WEAR VERY THIN IF THE RTC DOESN'T SPEED-UP THE ASSET DISPOSITION PROCESS, AND SPEED IT UP SOON. IT'S NOT YET "RED ALERT" TIME, BUT IT WILL BE SOON ENOUGH IF THE RTC DOESN'T IMPROVE ITS TRACK RECORD WITHIN THE NEXT FEW MONTHS.

FOREIGN AID -- THE DOLE PLAN AND WITH ALL THESE BUDGET PROBLEMS AT HOME, WE STILL HAVE TREMENDOUS NEW DEMANDS FACING US IN A RAPIDLY CHANGING WORLD. WE HAVE AN ENORMOUS STAKE IN EASTERN EUROPE AND LATIN AMERICA -- AND WE HAVE AN OBLIGATION TO HELP PROMOTE AND CONSOLIDATE DEMOCRACY IN THESE FREEDOM-LOVING NATIONS.

HOWEVER, I DON'T DETECT A LOT OF ENTHUSIASM IN MY HOME STATE OF KANSAS, OR IN CONGRESS, FOR MORE FOREIGN AID.

AND I'M NOT ONE WHO THINKS WE SHOULD BE OUT SPENDING A "PEACE DIVIDEND" BEFORE WE'RE EVEN SURE WE HAVE ONE, OR HOW BIG IT IS. AND WHATEVER PEACE DIVIDEND WE DO END UP WITH SHOULD BE APPLIED TO REDUCING OUR OWN DEFICITS. SO I DON'T THINK THE KNEE-JERK ANSWER -- TAKE IT OUT OF DEFENSE -- IS THE REAL ANSWER.

IN EASTERN EUROPE, WE'RE TALKING ABOUT THE NEED FOR HUNDREDS OF MILLIONS OF DOLLARS IN AMERICAN AID. IN PANAMA -- \$500 MILLION. IN NICARAGUA, 300 MILLION DOLLARS MORE.

I DON'T HAVE THE ENTIRE ANSWER, BUT I HAVE SUGGESTED ONE PLACE TO START: WE OUGHT TO CUT 5% IN AID ACROSS-THE-BOARD TO THE BIGGEST RECIPIENTS. 5% ISN'T GOING TO KILL ANYONE. AND MAKING IT ACROSS-THE-BOARD IS THE ONLY WAY TO MAKE IT FAIR, AND MAKE IT POLITICALLY PALATABLE.

I'M PLEASED THE ADMINISTRATION HAS MORE OR LESS ENDORSED THAT PROPOSAL NOW -- AND IN FACT, A WALL STREET JOURNAL POLL SHOWS A LARGE MAJORITY OF THE AMERICAN PEOPLE FAVOR IT, TOO.

NEXT WEEK, I'LL GET SOME FACE-TO-FACE FEEDBACK ABOUT MY PLAN. I'M LEADING A CONGRESSIONAL DELEGATION ON A WEEK-LONG VISIT WITH MIDDLE EASTERN LEADERS, INCLUDING THOSE IN EGYPT AND ISRAEL -- I HAVE A FEELING THE SUBJECT OF FOREIGN AID MAY COME UP.

PRIVATE SECTOR
INITIATIVES
ABROAD

BUT WE ALSO MUST REALIZE THAT SOME OF THE BEST INVESTMENTS WE CAN MAKE IN THESE FLEDGLING DEMOCRACIES ARE NOT IN AID DOLLARS, BUT IN SOUND POLICIES DESIGNED TO SPARK SELF-SUSTAINING GROWTH, AND REAL LONG-TERM POLITICAL AND ECONOMIC STABILITY. LET'S NOT FORGET THAT POLAND, THE "SENIOR" GOVERNMENT IN EASTERN EUROPE, THE ONE WITH THE MOST THOROUGHLY TESTED POLITICAL AND ECONOMIC INSTITUTIONS, IS BARELY SIX MONTHS OLD.

PERHAPS THE MOST VALUABLE RESOURCE WE CAN DRAW ON IS THE EXPERIENCE OF SUCCESSFUL ENTREPRENEURS LIKE MANY OF YOU. IN FACT, THE SENATE RECENTLY APPROVED A PLAN OF MINE THAT EXPANDS ON THE FULBRIGHT EXCHANGE PROGRAM. IT AUTHORIZES AN EXCHANGE PROGRAM WITH COUNTRIES MAKING THE DIFFICULT TRANSITION FROM TOTALITARIANISM TO DEMOCRACY. UNLIKE THE FULBRIGHT PROGRAM, IT BROADENS THE RANGE OF PARTICIPANTS TO INCLUDE PERSONS IN PRIVATE BUSINESS, TRADE ASSOCIATIONS, UNIONS, CHAMBERS OF COMMERCE, AND LOCAL, STATE, AND FEDERAL GOVERNMENT AGENCIES. IN OTHER WORDS, THE KIND OF EXPERTISE ONLY AMERICA CAN PROVIDE. WITH OUR NEW EXCHANGE PLAN, WE CAN SEND OUR BEST TALENT TO COUNTRIES IN NEED SUCH AS, POLAND, HUNGARY, CZECHOSLOVAKIA, BULGARIA, AND ROMANIA.

(MORE)

4

I AM CONFIDENT THAT WE HAVE ENORMOUS OPPORTUNITIES TO
ADVANCE AMERICA'S INTERESTS ABROAD -- WITHOUT JUST POURING IN AID
DOLLARS.

AND I AM CONFIDENT THAT WE CAN MEET OUR DOMESTIC CHALLENGES
-- BUT ONLY WHEN CONGRESS AND THE PRESIDENT FACE UP TO THE TOUGH
CHOICES.

THANK YOU.

###