



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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DOLE CALLS ON REPUBLICANS TO BROADEN RANKS OF PARTY

LOS ANGELES -- Sen. Bob Dole (R-Kan.) tonight told Republicans at the California State Republican Convention that the party is in an excellent position to pick up new support in the upcoming elections.

"Clearly, Republicans have bold new policies to attack the difficult issues facing the country," Dole said, "but these problems cannot be solved unless we make common cause with those outside our ranks who will join us, if only we will join with them.

"For it is not the country club member who has the most to gain from the growth and development of our society; it is, rather, the young woman graduating from college with student loan obligations into a sluggish economy, the young Spanish-speaking worker laid off because his boss couldn't plow through the government's red tape, the young black entrepreneur who wants to start a trucking business over government routing assignments, the retired couple robbed of its dignity by inflation.

"For too long we have listened to the bitter voices of negativism, and for too long -- it is time to face it -- we have joined them."

Dole said he has initiated new policies in the areas of inflation and taxes, agriculture and health.

"Proposition 13 is a good beginning in reducing inflation," he said. "But it isn't the whole answer. A federal tax cut can lead to bigger deficits and more inflation. The answer is to cut spending and taxes. The answer is to require our government to do what the rest of us have to do -- to live within a balanced budget.

"I have proposed tax indexing to adjust the tax system to compensate for inflation. If a man's salary goes up 10 percent to accommodate for inflation, he usually ends up paying more taxes than he was before the increase, so he's hit from both sides -- taxation and inflation. Under my proposal, increased income due to inflation would not be taxed."

Dole also said that Republicans should support a program of catastrophic health insurance, so that a disabling or fatal illness does not result in a crippling financial burden.

"Catastrophic health insurance is something Americans want and can afford," he said. "It makes sense for the American people, and it will help shatter the persistent myth

that Republicans care only about the rich, the healthy, the problem-free few in our land."

Dole continued, "As ranking Republican on the Senate Agriculture Committee, I have been on the front lines of what your able state chairman, Mike Montgomery, has characterized as the Carter Administration's 'War on the West.' The Carter Administration's land use, water and agricultural policies have put it in greater threat than at any time since the Dust Bowl of the '30s.

"Our farmers cannot continue to meet their high production standards if their national and state governments insist on pursuing policies based on the premise that the American experiment is over, that our children will live in a nation with a past and present, but no future.

"Republicans have responded to the crisis on America's farms by proposing innovative new government policies which will enable farmers to make a profit in the marketplace, not out of the government Treasury."



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REMARKS OF SENATOR BOB DOLE

CALIFORNIA STATE REPUBLICAN CONVENTION

LOS ANGELES, CALIFORNIA

SEPTEMBER 16, 1978

When I come out here I usually have the pleasure of visiting with the last real governor of California and tonight it is a pleasure to be with the next real governor of California. As for the one in the middle, I've never met him. I just take the White House's word about him. We have to assume they are right about something.

But I haven't come to California tonight with a laundry list of horror stories about the Carter Administration. We can rely on the President's fellow Democrats to give us that. For our purposes, I think we can sum up the problem in Washington today in two words: "no leadership". I think we can sum up the situation in California in two words: "no leadership".

The people of California have reminded all of us what happens when government is unresponsive to their needs. The answer here was Proposition 13. Those who thought a nation founded in a tax revolt two hundred years ago had lost its revolutionary spirit have had to think again.

And while they're rethinking the problem, trying to figure out how they are going to keep buying more political power with fewer tax dollars, Republicans are in the happy position of not having to rethink anything. We already know where we stand and the American people know where we stand.

Proposition 13 is a good beginning. But it isn't the whole answer. The fact that we have huge budget deficits in Washington with double digit inflation shows us that cutting taxes is not the sole remedy to our economic woes. A federal tax cut can lead to bigger deficits and more inflation. The answer is to cut spending and taxes. The answer is to require our government to do what the rest of us have to do--to live within a balanced budget.

We have difficulty doing that today.

What makes it difficult for Americans to balance their budgets is that the government refuses to balance its own. Every time the cost of living goes up by 10%, government revenues go up 16%. There's no incentive for government to stem inflation, because government doesn't suffer from inflation. In fact, government is inflation's most satisfied constituent.

Now President Carter told us all two years ago that he was going to balance the federal budget by 1980. Yet, in the first two years of his Administration, government spending has increased by \$100 billion. Not all of that was in White House salaries, by the way.

THIS ADMINISTRATION'S FIGHT AGAINST INFLATION

The chief weapons in the Administration's battle against inflation have been excuses. We were promised that inflation would be no higher than 6% this year. Notice that would be slightly above the rate of inflation President Carter inherited from Jerry Ford. Then the Administration's "experts" admitted that they couldn't hold inflation to 6%. 7.2% would be the annual inflation rate. Now they're predicting an 8% annual inflation rate. Yet the cost of living today is running at a rate well in excess of 10% a year, spurred on by the Administration's plans for hundreds of billions of dollars of new taxes on the American people over the next several years.

As inflation surges upward and upward, the value of the American dollar goes down and down. Small wonder our trading partners have as little faith in the Administration's efforts to get a handle on inflation, reduce government regulation, and increase productivity as the American people do.

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In fact, the few days the dollar shows strength on the international money markets seem to follow action, not by the Administration, but by the independent Federal Reserve.

We've got to face reality. We're simply not going to douse the inflationary fires, stop the decline of the value of the dollar and restore a sense of economic security until we close the budget deficit. And frankly, I don't see how this Administration is ever going to balance the budget. I have proposed a method to help--a Constitutional amendment to make the balanced budget a law, not just a campaign promise. You know, one is a little harder to break than the other.

I have written to the nation's governors asking them to work with their legislatures to petition Congress to hold a Constitutional Convention which would amend the Constitution to require a balanced budget, except in times of national emergency. President Carter hasn't called to thank me yet, but I expect that Governor Younger will.

While we proceed on that front, Republicans are proposing legislative initiatives to alleviate the burdens of taxation and inflation which exist right now.

TAX INDEXING

I have proposed tax indexing to adjust the tax system to compensate for inflation. If a man's salary goes up 10% to accommodate for inflation, he usually ends up paying more taxes than before the increase, so he's hit from both sides--taxation and inflation. Under my proposal, increased income due to inflation would not be taxed. The Administration opposes the idea, of course. It's good enough for the federal government, most of whose expenditures are indexed, but it's too good for the American people. As usual, the interests of government are put ahead of the interests of the country. The interests of the politicians, as usual, are put before the interests of the people.

NEED FOR A RESPONSIBLE GOVERNMENT

It's been that way for forty years, going back to the days when the Democrats frankly admitted that their economic policy was "tax and tax, spend and spend," until today when the incumbent rode into town telling us that the tax system was a disgrace to the human race. I just thought it was a disgrace to the Democratic party, but I was willing to go along in the event we could change it. It turns out that they want to change it by raising taxes, instead of cutting the spending which lets us cut taxes.

This Administration has proposed more tax increases and opposed more tax reductions than any Administration in recent history. President Carter has already secured a \$225 billion Social Security tax hike, one which will hit hardest at middle income families beginning next year. He's seeking another \$125 billion in energy taxes, a proposal which even his Democratic colleagues in the Senate have refused to endorse. And he's threatening to impose \$35 billion a day in import fees on crude oil, apparently on the theory that if the OPEC nations don't raise the price of oil, our own government should extract this windfall from its people.

The people of California have inspired others to say enough is enough. All across this land, the spirit of Proposition 13 and its progeny is forcing the big spenders from Sacramento to Albany to Washington to scale back their plans for bigger and bigger government, to shelve proposals to pad the public payrolls, to, at the very least, talk about the need for fiscal restraint.

In my view, that's a significant achievement, one which the people of the United States owe in large part to their fellow citizens here in California. But, now, we have a much harder task before us. We must resolve to make fiscal responsibility not just a passing political fad, but a new and permanent fact of political life in America.

Unless we do, unless the tax revolt becomes a hit series, not just a special program, we're going to find ourselves right back on the treadmill of economic stagnation which was thrust upon us by too many years of big deficits, high inflation, and ever-increasing taxes.

What we must do is institutionalize fiscal responsibility. That's why we must push for a Constitutional amendment requiring a balanced federal budget, amend budget procedures in the Congress to require that the annual budget resolution contain no real increases in federal spending, and make meaningful, permanent reductions in federal taxes.

California Republicans have already shown us the way. Assemblywoman Marilyn Ryan's tax indexing legislation has been passed in Sacramento. Assemblyman Paul Priolo's \$1 billion tax cut has been enacted. And Senator George Deukmejian's spending limitation program, even though killed by the Democrats, has focused public attention on the Republican party's deep concern for fiscal responsibility.

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We needn't couch our call for fiscal responsibility in the puzzling rhetoric of the new frugality--the "lower our expectations", "small is beautiful", "less is more" mysticism of the "trendy pessimists". We ask only for common sense in government. We don't want to abandon sensible efforts to help the needy, or turn a deaf ear to our farmers, or ignore the crises in our cities, or refuse to help those who can't help themselves. Government can provide certain public services. And it can afford to provide those services without ever-increasing taxes, without double digit inflation, without huge budget deficits.

We know--and the American people know--that they needn't be taxed out of house and home to finance government which is compassionate yet frugal, responsive to people's needs and responsible to pocketbook realities.

AGRICULTURE

As ranking Republican on the Senate Agriculture Committee, I have been on the front lines of what your able state chairman, Mike Montgomery, has characterized as the Carter Administration's "War on the West". As with my home state of Kansas, agriculture is California's number one industry. The Carter Administration's land use, water, and agricultural policies have put it in greater jeopardy than at any time since the Dust Bowl of the 30's.

Our farmers today produce two-and-a-half times as much as they did sixty years ago with one-third of the man hours of labor on one-half the cultivated land. If their counterparts in the rest of the world could match their productivity we would feed the world's population on one-tenth of the land now being farmed.

But our farmers cannot continue to meet these standards if their national and state governments insist on pursuing policies based on the premise that the American experiment is over, that our children will live in a nation with a past and present, but no future.

Many of our farmers are in desperate economic straits. Yet government--in both Sacramento and Washington--has, more often than not, impeded rather than assisted them. In Washington, farmers have been singled out as the cause, not the victims of inflation.

Republicans have responded to the crisis on America's farms by proposing innovative new government policies which will enable farmers to make a profit in the marketplace, not out of the government treasury.

ALTERNATIVES

On a wide array of issues, in fact, we Republicans have learned to develop alternative proposals responsive to groups of people we have had trouble reaching in the past.

Federal intervention in the health care field is a good case in point. Federal health programs have not reduced the percentage of income older Americans expend on medical services by one point. Both the Carter Administration and Kennedy Health Insurance proposals will only further the inflationary spiral in health care costs.

But if comprehensive federal action in the health care field is wrong, isn't it time to recognize--as Governor Reagan did here on the state level--that government-supported catastrophic health care insurance can alleviate the financial hardship of major medical expense without creating disincentives for preventive care and cost control?

I think it is. Catastrophic illness and accidents can strike anyone at anytime and the fear of disabling or even fatal illness or injury should not be accompanied by the fear of crippling financial burden of the cost of treatment. I think Republicans should support catastrophic health insurance coverage. It makes sense for the American people. It's a program they want and can afford. And, it will help shatter the persistent myth that Republicans care only about the rich, the healthy, the problem-free few in our land.

In the international arena, we must not permit the "doctrine of wishful thinking" to dictate relations with the super powers, especially the Soviet Union. This is a dangerous, ultimately self-destructive course, and, unfortunately, one which President Carter is making the centerpiece of his bargaining strategy on the limitation of strategic arms.

DEFENSE

Now, certainly no one supports the ever escalating arms race. No responsible politician wants to see our nation to spend hundreds of billions of dollars year after year in fruitless battle with the Russians for nuclear superiority. But we can't afford to be blind to reality. We must recognize that the "doctrine of wishful thinking" has not been embraced by our adversaries in the Kremlin, that the evidence is incontrovertable that the Soviets have repeatedly violated arms agreements and other treaties when it suits their national aims.

Unfortunately, the incumbent administration seems willing to gamble. It appears to be convinced that if we show good faith by unilaterally giving up one weapon system after another the Russians will reciprocate. Already, they've killed the B-1 bomber. They've put their faith in bomber systems developed over a quarter of a century ago. They've destroyed the neutron bomb as an effective bargaining chip in negotiations. And they've proposed severe slashes in our navy's ship-building program.

That's not the kind of leadership the free world expects from the United States. If we are to maintain freedom in the Western democracies, if we are to make meaningful progress in expanding freedom in the African states, the Caribbean, South America, in Asia and Europe, we must remain strong and vigilant. America's voice must be strong, our commitment to national strength unflinching.

We must fight for policies which keep America militarily strong so the time will never come when we will no longer be able to negotiate with our adversaries, but can only agree to the terms presented to us. Today, we still have the technology. We still have the resources, and we will tomorrow, if only our will and determination at the bargaining table do not fail.

But none of these individual issues can be resolved by us, as either Republicans or Americans, if we cannot make common cause with those outside our ranks who will join us, if only we will welcome them.

For it is not the country club member who has the most to gain from the growth and development of our society: it is, rather, the young woman graduating from college with student loan obligations into a sluggish economy, the young Spanish-speaking worker laid off because his boss couldn't plow through the government's red tape, the young black entrepreneur who wants to start a trucking business over government routing assignments, the retired couple robbed of dignity by inflation.

For too long we have listened to the bitter voices of negativism, and for too long, it is time to face it, we have joined them.

Now, after Proposition 13, let us put away that feeling of isolation and persecution with which we have perhaps grown overcomfortable and recognize that we are no longer alone. If the Democratic party wants to be the party of despair and defeatism, let us proudly be the party of hope and ambition.

If the Democratic party wishes to call an end to the American Revolution, let us call our countrymen to a new faith in freedom and freedom's blessings.

When our foes say that the needs of 20th century America demand new approaches, let us reply: Yes, they demand a new commitment to freedom and to the social energies only freedom can foster.

When our opponents argue that our resources, housing and other social problems are too complex for simple solution, let us respond: Yes, no government planner will provide the answer. Only the ingenuity and efforts of millions of free people acting on their own--in cooperation with government--can meet the challenge.

And when our adversaries contend that modern weaponry has rendered moot the strategic theories of the past, let us answer: Yes, the price of ill preparedness is now too terrible to sanction any doubt about our ability to meet our obligations.

You and I are heirs to history's greatest legacy, the most successful nation on earth. And the lessons of history are clear: The freedom that has made these successes possible is more often squandered than not. But let us also take note of and pride in another of history's lessons.

Nothing we have, nothing we will ever have and nothing we may pass down to our children and to our children's children will mean anything if we cannot find it within ourselves to preserve, protect, and cherish the freedom which other brave men and women passed down to us.

But when we talk about being the party of freedom--defending the free enterprise system, freeing people from government regulation and over-taxation, getting the government out of our private lives--these are commendable goals, but they are abstract goals. And our party was not founded on abstractions.

The Republican party was born in the greatest struggle for human liberty this nation has ever known. We extended and expanded human freedom in a very real, tangible way. Time has passed. The world is a very different place. But our founding purpose--the extension and expansion of human liberty--remains the same. And that is the banner we carry, the purpose we must articulate, this year, next year, and in the decades which lie before us.