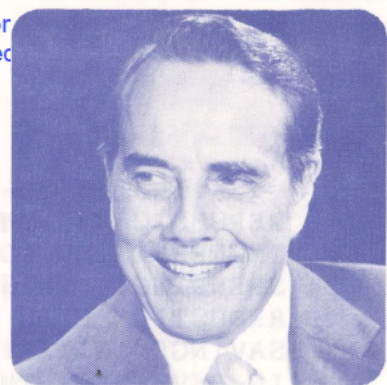


# BOB DOLE



(R - Kansas)

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FOR IMMEDIATE RELEASE  
SATURDAY, MAY 12, 1984

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## REMARKS OF SENATOR BOB DOLE

### THE ANNUAL TRUMAN SCHOLAR BANQUET

#### RADISSON-MUEHLEBACH

#### KANSAS CITY, MISSOURI

SATURDAY, MAY 12, 1984

THANK YOU VERY MUCH. I CAN TELL YOU, THIS IS QUITE AN HONOR, LETTING A KANSAN SPEAK ABOUT SOMEONE FROM MISSOURI! OF COURSE, IT MAY SEEM EQUALLY CURIOUS THAT I, AS A REPUBLICAN, SHOULD BE HERE TONIGHT PAYING TRIBUTE TO HARRY TRUMAN. AFTER ALL, IT WAS TRUMAN WHO CLAIMED THE INITIALS "G-O-P" STOOD FOR "GRAND OLD PLATITUDES." WELL, WE ALL KNOW MR. TRUMAN HAD A WAY WITH WORDS. AND HE ALSO HAD AN ABUNDANCE OF COMMON SENSE, THE KIND OF PLAIN THINKING AND PLAIN SPEAKING THAT IS IN SHORT SUPPLY THESE DAYS...ESPECIALLY IN WASHINGTON, WHERE WE ARE FACING THE VERY REAL PROBLEMS OF \$200 BILLION ANNUAL FEDERAL DEFICITS.

AS AMERICA IS DISCOVERING ALONG WITH YOU TRUMAN SCHOLARS, THE LEGACY OF OUR 33RD PRESIDENT IS A RICH ONE -- A DISTINGUISHED CHAPTER IN RESPONSIBLE POLITICS FROM WHICH WE CAN LEARN MUCH. HE WAS THE SON OF A MULE-TRADER FROM LAMAR, MISSOURI -- AND, IN THE WORDS OF WINSTON CHURCHILL, THE MAN MORE RESPONSIBLE THAN ANY OTHER FOR SAVING WESTERN CIVILIZATION. WHEN HE SUCCEEDED THE MOST BELOVED PRESIDENT SINCE LINCOLN, HE TOLD REPORTERS HE FELT AS IF THE MOON AND STARS HAD FALLEN ON HIM -- AND WITH THE PASSAGE OF YEARS, HISTORY HAS ACCORDED HIM A PLACE CLOSE TO THAT OF FRANKLIN D. ROOSEVELT. HE HAS WON A SIMILAR SPOT IN THE HEARTS OF AVERAGE AMERICANS. "TO ERR IS TRUMAN" PEOPLE JOKED IN 1948 -- BUT THEY RE-ELECTED HIM ANYHOW, AND THIS EVENING, AMERICANS OF ALL POLITICAL PERSUASIONS ARE PAUSING TO REMEMBER WITH AFFECTION A MAN WHOSE COMMON SENSE WAS EQUALED ONLY BY HIS UNCOMMON QUALITIES OF LEADERSHIP.

WE ALL KNOW ABOUT THAT FAMOUS SIGN ON TRUMAN'S DESK, THE ONE THAT PROCLAIMED "THE BUCK STOPS HERE." NOT SO WELL KNOWN IS ANOTHER SIGN, WITH ANOTHER MAXIM. IT, TOO, HELD A PLACE OF HONOR IN THE OVAL OFFICE. "ALWAYS DO RIGHT," IT READ. "THIS WILL GRATIFY SOME PEOPLE AND ASTONISH THE REST."

AS CHAIRMAN OF THE SENATE FINANCE COMMITTEE, I AGREE WITH YOUR MAN FROM INDEPENDENCE: IF WE DO RIGHT -- IF WE ACT NOW ON THE MASSIVE FEDERAL DEFICITS WHICH THREATEN ECONOMIC RECOVERY -- THEN WE WILL ASTONISH THE DOOMSAYERS AND SKEPTICS WHO HAVE BEEN TELLING US FOR SO LONG THAT CONGRESS IS INCAPABLE OF RESPONSIBLE ACTION IN AN ELECTION YEAR.

#### POLITICAL REALITIES

THERE IS LITTLE DISPUTE -- EITHER IN CONGRESS OR IN THE MEDIA -- THAT THE MOST IMPORTANT THING WE CAN DO TO KEEP RECOVERY GOING IS TO REDUCE THE BUDGET DEFICIT. AND WE ARE TRYING TO DO THAT THIS YEAR, AT LEAST MAKE A BEGINNING, EVEN IF IT IS ONLY A DOWNPAYMENT ON THE MORE COMPREHENSIVE ASSAULT THAT IS REALLY NEEDED.

IN HIS SO-CALLED "ROSE GARDEN" AGREEMENT WITH CONGRESSIONAL REPUBLICANS, THE PRESIDENT ACCEPTED DEFENSE CUTS AND REVENUE INCREASES SO LONG AS THEY ARE COUPLED WITH CUTS IN NON-DEFENSE SPENDING. THIS IS THE BASIS FOR THE \$150 BILLION DEFICIT REDUCTION PLAN NOW BEFORE THE SENATE, INCLUDING \$71 BILLION IN SAVINGS INITIATED BY THE FINANCE COMMITTEE -- ABOUT \$47 BILLION IN REVENUES, THE REMAINDER IN ENTITLEMENT SAVINGS, REDUCED DEBT SERVICE AND \$3.1 BILLION FROM GRACE COMMISSION RECOMMENDATIONS. THIS IS THE FIRST MOVE TO IMPLEMENT SOME OF THE GRACE PROPOSALS, WHICH MAY BECOME INCREASINGLY POPULAR AS MEMBERS CONSIDER THE ALTERNATIVES FOR SAVING MONEY.

THIS IS A MODEST PACKAGE -- \$150 BILLION OUT OF SOME \$550-\$600 BILLION IN CUMULATIVE DEFICITS OVER THE NEXT THREE YEARS. BUT SOME FACTS HAVE TO BE FACED, AND ONE OF THEM IS THAT THE SPEAKER OF THE HOUSE AND THE PRESIDENT HAVE A VETO OVER OUR EFFORTS: TIP O'NEILL WITH HIS 100-VOTE MARGIN, AND PRESIDENT REAGAN WITH HIS CONSTITUTIONAL AUTHORITY. BUT WITHIN THAT REALITY WE ARE TRYING TO DO OUR BEST.

#### CLOSING THE GAP

TO CLOSE THE DEFICIT GAP, WE USUALLY FOCUS ON THREE BASIC AREAS: DEFENSE SPENDING, ENTITLEMENTS, AND REVENUES. THAT IS NOT SURPRISING. DEFENSE AND ENTITLEMENTS CONSTITUTE MOST OF THE BUDGET. AND JUST ABOUT EVERYONE AGREES THAT REVENUES WILL HAVE TO PLAY A ROLE, AS THEY DID IN THE 1982 TAX REFORM BILL AND AS THEY ARE DOING IN THIS YEAR'S MORE MODEST EFFORT.

SIMILARLY, ENTITLEMENTS MUST BE ADDRESSED, AND FEELINGS ARE VERY STRONG ON ALL SIDES. NO ONE HAS FORGOTTEN THE 1982 CAMPAIGN, WHEN THE VERY RECOGNITION OF A FUNDAMENTAL PROBLEM IN THE FINANCING OF SOCIAL SECURITY WAS USED AS A PRETEXT FOR BATTERING REPUBLICAN CANDIDATES WITH THE CHARGE OF INDIFFERENCE OR HOSTILITY TO THE ELDERLY. THE MEMORY OF THAT CAMPAIGN HAS NOT FADED, AND IT IS NO WONDER THAT SOME BITTER FEELINGS REMAIN. THOSE OF US WHO ARE LOOKING FOR A RESPONSIBLE SOLUTION TO THE IMMIMENT PROBLEM OF MEDICARE FUNDING HAVE TO WONDER WHETHER WE WILL BE ALLOWED TO DISCUSS THE ISSUE IN A FREE AND FAIR FASHION.

IT DOES NOT HAVE TO BE THIS WAY. THERE IS RISING BIPARTISAN INTEREST IN THE PROBLEM OF GROWING ENTITLEMENTS, AND IN 1983 WE DID PUT THROUGH A SOCIAL SECURITY REFINANCING PACKAGE THAT, WHILE FAR FROM PERFECT, ADDRESSED SOME VERY MAJOR CONCERNS ON BOTH THE BENEFIT AND TAX SIDE. FOR THE PAST SEVERAL WEEKS THE SENATE HAS GIVEN SERIOUS CONSIDERATION TO ALTERNATIVE BUDGET PLANS THAT MAKE MAJOR CHANGES IN ENTITLEMENT PROGRAMS, SPONSORED FROM BOTH SIDES OF THE AISLE.

REVENUES WILL BE ON THE TABLE FOR ANY LARGE-SCALE DEFICIT REDUCTION EFFORT. AGAIN, PERMANENT TAX REDUCTIONS HAVE BEEN A MAJOR PART OF PRESIDENT REAGAN'S PROGRAM, AND THE RESISTANCE TO THE SCOPE AND NATURE OF THOSE TAX CHANGES HAS BEEN CONSIDERABLE. SO FAR OUR RESPONSE HAS BEEN TO RAISE REVENUES BY CLOSING LOOPHOLES, IMPROVING TAX COMPLIANCE, AND CUTTING BACK ON EXEMPTIONS AND PREFERENCES RATHER THAN BY RAISING TAX RATES. THE HISTORY OF TAX POLICY OVER THE PAST THREE YEARS IS PROBABLY A GOOD INDICATOR OF THE KINDS OF THINGS WE WILL BE LOOKING AT FOR DEFICIT REDUCTION PURPOSES, AS WE HEAR MORE TALK OF MAJOR REFORMS, LOWER-RATE SYSTEMS, CONSUMPTION TAXES AND THE LIKE.

#### SETTING PARAMETERS

THE REASONS WE MUST REDUCE THE DEFICIT ARE WELL KNOWN. THEY THREATEN HIGHER INTEREST RATES, HIGHER INFLATION, OR A PERMANENT DECLINE IN OUR TRADE POSITION -- OR SOME COMBINATION OF THESE. HUGE DEFICITS ARE A THREAT TO RECOVERY, AND TO SUSTAINING OVER THE LONG TERM THE GAINS WON AT GREAT EFFORT IN RECENT YEARS. I REFER TO THE REDUCTION IN INFLATION FROM DOUBLE DIGITS TO THE 4-5 PERCENT RANGE; THE RESTORED CONFIDENCE IN THE DOLLAR AROUND THE GLOBE; THE RESUMPTION OF GROWTH IN REAL INCOMES OF OUR CITIZENS; GAINS IN PRODUCTIVITY PERFORMANCE; AND LAYING THE GROUNDWORK FOR HIGHER LEVELS OF INVESTMENT THAT MEAN FUTURE JOBS.

BUT IF FAILURE TO REDUCE THE DEFICIT CAN UNDERMINE THOSE ACHIEVEMENTS, SO CAN ASSAULTING THE DEFICIT IN THE WRONG WAY. TO TAKE AN EXTREME EXAMPLE, WE COULD MAKE A REAL DENT IN THE DEFICIT BY PUMPING UP INFLATION.

MANY IMPORTANT POLICY CHANGES NEED TO BE PRESERVED IF WE WANT TO REDUCE THE DEFICIT IN A PRODUCTIVE, FORWARD-LOOKING WAY. ONE IS TO KEEP INCOME TAX RATES DOWN, SO THAT WORK AND SAVINGS EARN A FAIR REWARD. ANOTHER IS TO MAINTAIN A FAVORABLE CLIMATE FOR INVESTMENT, WITH FAIR TAX TREATMENT OF CAPITAL INVESTMENT AND REASONABLE RESTRAINT ON REGULATION. WE ALSO SHOULD WORK TO KEEP SPENDING IN CHECK. ONE OF OUR MAJOR ACCOMPLISHMENTS HAS BEEN TO ARREST THE GROWTH OF "CONTROLLABLE" SPENDING PROGRAMS, AND IT WOULD BE FRUITLESS IF WE SLASH DEFENSE AND ENTITLEMENTS ONLY TO GO ON A WILD SPENDING BINGE ONCE MORE.

THESE GENERAL GUIDELINES -- MAINTAINING LOW INFLATION THROUGH STABLE MONEY GROWTH, RESTRAINING THE TAX BURDEN ON WORK, SAVINGS, AND INVESTMENT, AND CONTROLLING SPENDING AND REGULATION -- GIVE US A FRAMEWORK FOR EVALUATING DEFICIT REDUCTION EFFORTS.

#### IMMEDIATE ACTION IN '85

WE WILL HAVE TO GET RIGHT TO THE POINT ON DEFICIT REDUCTION NEXT YEAR ONE WAY OR THE OTHER, AND TIME WILL BE OF THE ESSENCE. WHEN PRESIDENT REAGAN TOOK OFFICE THERE WAS A LOT OF TALK ABOUT HIS DESIRE TO "HIT THE GROUND RUNNING." WHOEVER IS ELECTED IN NOVEMBER, AND I ASSUME IT WILL BE RONALD REAGAN, HAD BETTER BE PREPARED, WITH SPECIFICS, TO BE ON THE GROUND AT FULL SPEED COME JANUARY 1985 ON THE DEFICIT PROBLEM. FAILURE TO ACT ALREADY HAS HAD SIGNIFICANT COSTS: THE PRIME RATE IS UP 1 1/2 POINTS THIS YEAR ALREADY, THE TRADE DEFICIT EXPANDING TO RECORD LEVELS. WITH FUTURE JOBS AND INVESTMENT AT STAKE, FURTHER DELAY WOULD BE INEXCUSABLE.

OUR GOAL MUST BE TO MOVE A MAJOR BIPARTISAN DEFICIT REDUCTION PACKAGE AS EARLY AS POSSIBLE IN 1985, ADDRESSING ENTITLEMENTS, DEFENSE, AND REVENUES. TO ACCOMPLISH THAT TASK WILL REQUIRE STRONG POLITICAL LEADERSHIP.

I MUST ADD THAT, AS USUAL, THE AMERICAN PEOPLE ARE FAR AHEAD OF THE POLICYMAKERS AND POLITICIANS ON THE DEFICIT ISSUE. WE CAN MOVE ON THE DEFICIT, WITHIN THE PARAMETERS I HAVE OUTLINED, BECAUSE THE PUBLIC UNDERSTANDS THE STAKES AND WILL NOT BE DISTRACTED BY A REHASH OF YESTERDAY'S DEBATES. BETWEEN NOW AND NOVEMBER VOTERS WILL DEMAND SPECIFICS ON HOW WE WILL DEAL WITH THE PROBLEM. THEY HAVE HEARD ENOUGH OF "ELECT ME AND I'LL FIX IT." THE FACT IS THAT WE ARE NOT GOING TO RETURN TO A HIGH TAX RATE POLICY, OR TO A LOOSE MONETARY POLICY, OR TO BANKROLLING NEW PROGRAMS FOR EVERY PROBLEM THAT COMES TO OUR ATTENTION.

#### BUDGET CHOICES

BECAUSE WE CANNOT TURN BACK, AS SOME WOULD HAVE US DO, WE NEED TO FACE OUR PROBLEMS WITH IMAGINATION AND CREATIVITY. THIS INCLUDES THE DEFICIT PROBLEM, BOTH THE IMMEDIATE PROBLEM AND THE LONG-TERM PROBLEM. CONSIDER A FEW EXAMPLES.

o TAX REFORM. THE TAX RATE CUTS OF 1981, COMBINED WITH THE BASE-BROADENING MEASURES OF 1982 AND THIS YEAR, HAVE PAVED THE WAY FOR SERIOUS CONSIDERATIONS OF A LOWER-RATE, BROADER-BASED TAX SYSTEM. THE FOCUS IS NOW ON HOW TO RAISE REVENUES MORE SIMPLY AND FAIRLY. THE SENATE FINANCE COMMITTEE WILL HOLD HEARINGS THIS SUMMER ON TAX REFORM, WITH ALL OPTIONS OPEN. THE TREASURY WILL HOLD SIMILAR FIELD HEARINGS, AND THE ADMINISTRATION IS DUE TO REPORT ON MAJOR TAX OPTIONS BY DECEMBER. THIS IS ALL TO THE GOOD, BECAUSE THE DEFICIT DILEMMA HAS STIMULATED NEW THINKING ABOUT WHAT OUR TAX SYSTEM IS SUPPOSED TO DO. NO ONE EXPECTS REFORM OVERNIGHT, BUT WORKING FOR AGREEMENT ON THE BEST OPTIONS SHOULD ENABLE US TO STRUCTURE ANY DEFICIT-REDUCING TAX MEASURES WITH LONG TERM REFORM IN MIND.

o RESTRAINTS ON FISCAL DECISIONS. THE MOUNTING IMPATIENCE WITH OUR SEEMING IMPOTENCE ON THE BUDGET PROBLEM MEANS RENEWED ATTENTION ON WAYS TO REFORM OUR FISCAL PROCEDURES IN THE INTEREST OF CONSTRAINING SPENDING AND DEFICITS. THIRTY-TWO STATES HAVE CALLED FOR A CONSTITUTIONAL CONVENTION TO DRAFT A BALANCED BUDGET AMENDMENT, AND THE CONSTITUTIONAL ROUTE LOOKS INCREASINGLY ATTRACTIVE AS STATUTORY BUDGET CONTROLS HAVE NOT DONE THE JOB. BELIEVE ME, CONGRESS NEEDS A STIFF DOSE OF DISCIPLINE: FOR TOO LONG, SPENDING HAS BEEN ON AUTOMATIC PILOT. YOU KNOW IT AND CONGRESS KNOWS IT, TOO. IT MUST STOP.

THE LEADING CANDIDATE OF ACTION IS THE BALANCED BUDGET-TAX LIMITATION AMENDMENT PENDING IN THE JUDICIARY COMMITTEE, AND IT TAKES THE RIGHT GENERAL APPROACH OF REFORMING PROCEDURES RATHER THAN MANDATING SPECIFIC OUTCOMES. THIS, OR ANOTHER ALTERNATIVE, IS LIKELY TO RECEIVE SERIOUS CONSIDERATION THIS YEAR OR NEXT, PARTICULARLY IF WE GET CLOSER TO THE THIRTY-FOUR STATES NEEDED TO PETITION FOR A CONSTITUTIONAL CONVENTION.

o BUDGET ROLES OF PRESIDENT AND CONGRESS. THE PRESIDENT ASKED FOR A LINE-ITEM VETO POWER, AND WHILE SOME OF MY COLLEAGUES DISAGREE, I BELIEVE THIS WOULD ADDRESS A SERIOUS PROBLEM IN THE LIMITED ABILITY OF THE PRESIDENT TO BARGAIN WITH CONGRESS OVER BUDGETS AND SPENDING. WHILE THE SENATE HAS REJECTED A STATUTORY APPROACH TO THIS ISSUE FOR NOW, THE CONSTITUTIONAL ROUTE REMAINS OPEN. THERE IS CONSIDERABLE INTEREST IN FINDING A BETTER WAY TO MANAGE THE RELATIVE DUTIES AND POWERS OF CONGRESS AND THE PRESIDENT WHEN IT COMES TO BUDGETING.

#### THE REAL STORY

THE NEXT PRESIDENT AND THE NEXT CONGRESS WILL NEED YOUR HELP. THE MAN OR WOMAN WHO PICKS UP A NEWSPAPER BETWEEN NOW AND NEXT JANUARY WILL WANT TO KNOW WHAT'S IN STORE FOR THEM -- HOW WILL ACTIONS IN WASHINGTON MAKE LIFE BETTER OR WORSE FOR THEM, AND WHAT WOULD HAPPEN IF WASHINGTON DOES NOTHING?

MANY PEOPLE PREFER IT WHEN WASHINGTON DOES NOTHING, AND WASHINGTON HAS BEEN DOING A LOT OF THAT LATELY. BUT IF OUR GOVERNMENT IS NOT ALWAYS A CREATIVE INSTITUTION, AT LEAST IT SHOULD BE A RESPONSIVE ONE.

IT'S A FACT THAT TREMENDOUS ECONOMIC PROGRESS HAS BEEN MADE, AND THAT MORE IS IN STORE IF WE HAVE THE GUTS TO PULL TOGETHER AND TACKLE THE DEFICIT DILEMMA; AND WE HAVE THE POWER TO SEE THAT IT HAS A HAPPY ENDING. THE IMPORTANT THING IS TO DO AS MUCH AS POSSIBLE AND FOLLOW THROUGH NEXT YEAR.

OUR CITIZENS KNOW WHAT THE STAKES ARE IN THE BUDGET GAME. IN MY VIEW, WE RISK LOSING THE BEST CHANCE IN MANY YEARS TO PRESERVE AND SUSTAIN A NONINFLATIONARY RECOVERY. BUT WE STAND TO GAIN THE OPPORTUNITY TO PARTICIPATE IN A GROWING, VITAL, STABLE ECONOMY THAT WILL BE THE GREATEST ENGINE OF JOB-CREATION IN THE WORLD. LET US SPREAD THE WORD THAT WE TRULY HAVE A COMMON INTEREST IN RESTORING FISCAL SANITY TO OUR GOVERNMENT, AND THAT PAROCHIALISM IS THE WAY OF THE PAST. THAT IS THE MESSAGE WE ALL OUGHT TO CARRY.

#### LOOKING AHEAD

THIS EVENING, IN RECALLING THE LIFE OF HARRY TRUMAN, WE HARNESS THE PAST IN SERVICE TO THE FUTURE. BECAUSE ALL OF US HAVE A RESPONSIBILITY TO PAVE THE WAY FOR BETTER DAYS AHEAD ECONOMICALLY AND SOCIALLY.

IT IS YOU YOUNG MEN AND WOMEN WHO ARE THE CENTERPIECE OF THIS SPECIAL 100TH CELEBRATION, AN IMPRESSIVE CROSS-SECTION OF SCHOLARS FROM ACROSS AMERICA WHO CAN MAKE TOMORROW A BETTER PLACE BECAUSE HARRY TRUMAN'S ADMIRERS WISHED HIS MEMORIAL TO BE A LIVING EXTENSION OF HIS OWN THIRST FOR KNOWLEDGE. HOW MUCH MORE APPROPRIATE THAT HE SHOULD BE HONORED IN THIS CLASSROOM AND LIBRARY THAN WITH STATUES OR MONUMENTS.