

REMARKS OF SENATOR BOB DOLE  
HAM HORTON FOR CONGRESS FUNDRAISING DINNER  
WILKESBORO, NORTH CAROLINA  
SEPTEMBER 23, 1978

It's a pleasure to be back in North Carolina, in Wilkesboro, to speak on behalf of an outstanding Republican, the next Congressman from the Fifth Congressional District, Ham Horton.

I come to you from Washington, D.C., a place which could use a healthy dose of North Carolina "common sense." That's why we're looking forward to having Ham Horton with us when the 96th Congress convenes next January. He's the type of leader the people of North Carolina are looking for, a man with his feet firmly grounded in the North Carolina soil, but a man who knows Washington, who knows what the people of North Carolina want from government, a man who believes that government should act as servant, not master of the people.

In North Carolina and around this nation, the opportunities for the Republican Party in 1978 are tremendous. Jesse Helms will be back in the Senate. And, hopefully, Ham Horton will be joined by other new Republican Congressmen from Carolina.

Believe me, Jesse and I can certainly use help. You read the newspapers, watch television, listen to the radio. You know our economy is stagnated, inflation is soaring out of control once again, taxes are on the rise, and we're plagued with a whole host of domestic woes. But I haven't come to Wilkesboro tonight with a laundry list of horror stories about the Carter Administration.

CAMP DAVID

As a matter of fact, I've joined the millions of my fellow Americans--Democrats and Republicans, liberals and conservatives--in praising President Carter for his efforts at Camp David. It's a substantial achievement, one which I hope will survive in the days, weeks, and months ahead in the Middle East.

Unfortunately, the Middle East is just one problem. Our nation is still faced with a host of domestic and international problems which are not being adequately addressed in Washington.

DOMESTIC PROBLEMS

Referendums and elections in recent weeks have reminded all of us what happens when government is unresponsive to the needs of its people. And the message in all of these elections is clear. The people are frustrated with high taxes and double digit inflation. They're demanding more efficient government. They're questioning the need for higher and higher taxes each year. And they're tired of government meddling in their private affairs.

In some states--most notably California--huge tax cuts have been achieved by the people. But that 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 only remedy to our economic woes. Without more, tax cuts can lead to bigger deficits and more inflation. In my view, the answer is to cut spending and taxes. The answer is to require government to do what the rest of us have to do--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 by 16%. There's no incentive for government to stem inflation because the government doesn't suffer from inflation. In fact, government is inflation's most satisfied constituent.

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Two years ago, we were told that we would have a balanced federal budget by 1980. Yet in the first two years of the Carter Administration, government spending has increased by \$100 billion. Clearly, something more is required.

More pressure must be brought to bear on government to hold the line on spending, reduce the tax burden on the American people, and close the budget deficit which produces the inflation which forces both spending and taxes up and up.

#### PROPOSAL FOR A BALANCED BUDGET

And there's one thing which won't help a bit: a lot of high-blown rhetoric that not's backed up by action. What this country needs is a Constitutional mandate for a balanced federal budget. And I've proposed just that, a clear, unequivocal Constitutional commitment to put an end to year after year of government red ink.

I've written to all of the nation's governors asking them to work with their legislatures to petition Congress to hold a Constitutional Convention to write a balanced budget amendment. If we succeed, we'll make fiscal responsibility not just a campaign promise, but the law of the land. You know, one is a little harder to break than the other.

But we must be realistic. We're not going to have a balanced budget overnight. We must move forward with other initiatives to alleviate the burdens of high taxation and inflation which plague our economy today.

#### INDEXING

That's why I'm sponsoring legislation which would require automatic yearly tax cuts to offset inflation. It's called tax "indexation" and it would commit the government in advance to slashing individual taxes next year, the year after that, and forever--as long as inflation continues to force hard working American families into higher and higher tax brackets each year.

Indexation is an idea whose time has come. It's fair. It tells government not to expect bigger revenues each year because government won't be allowed to tax increases in income brought on by inflation.

The Administration opposes the idea, of course. And, partly because of Administration pressure, the Senate Finance Committee narrowly rejected my plan on Wednesday. But it attracted stronger support than ever before--more support than the Kemp-Roth Tax Reduction Plan, which I also supported.

Indexation isn't a new idea. Other nations already have it. Several states have enacted indexation for state income taxes. And the federal government has already indexed most of its expenditures. Why not give the American taxpayer the same break? It's the only way we can put an end to the tax on inflation, an unconscionable levy which only encourages government to spend more and more.

#### FISCAL RESPONSIBILITY NEEDED

This Administration has already 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 million 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 wind-fall from its people.

Now, the people are saying enough is enough. All across this land, politicians are being forced 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. 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, 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.

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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.

I'm not suggesting that we abandon government's commendable efforts to help the needy, turn a deaf ear to the needs of our farmers, ignore the crises in our cities, or refuse to help those who can't help themselves. Government can and should provide a wide range of 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.

If we, as Republicans, don't like the social programs enacted by the Democrats, we owe it to ourselves and the American people to do more than criticize and vote "no". We have an obligation to develop alternative proposals responsive to groups of people who need help, groups of people we have had trouble reaching in the past.

#### PROBLEMS WITH HEALTH CARE

Government intervention in the health care field is a good case in point. Federal and state health programs have not reduced the percentage of income older Americans expend on medical services by one point. Yet 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 that government-supported Catastrophic Health Care Insurance can alleviate the financial hardship of major medical expenses 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 because 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.

#### FOREIGN RELATIONS

In the international arena, we must not permit the "doctrine of wishful thinking" to dictate our delicate 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.

Now, certainly no one supports the over-escalating arms race. No responsible politicians wants to see our nation spend hundreds of billions of dollars year after year in a 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 incontrovertible 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 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.

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#### NEED FOR COOPERATION AMONG THE RANKS

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 join with them.

Let us put away the 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 solutions, 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 those 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.

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*Ham Horton*

IT'S A PLEASURE TO BE BACK IN NORTH CAROLINA, IN WILKESBORO TO SPEAK ON BEHALF OF AN OUTSTANDING REPUBLICAN, THE NEXT CONGRESSMAN FROM THE FIFTH CONGRESSIONAL DISTRICT, HAM HORTON.

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Horton"*

I COME TO YOU FROM WASHINGTON, D.C., A PLACE WHICH COULD USE A HEALTHY DOSE OF NORTH CAROLINA "COMMON SENSE." THAT'S WHY WE'RE LOOKING FORWARD TO HAVING HAM HORTON WITH US WHEN THE 96TH CONGRESS CONVENES NEXT JANUARY. HE'S THE TYPE OF LEADER THE PEOPLE OF NORTH CAROLINA ARE LOOKING FOR, A MAN WITH HIS FEET FIRMLY GROUNDED IN THE NORTH CAROLINA SOIL, BUT A MAN WHO KNOWS WASHINGTON, WHO KNOWS WHAT THE PEOPLE OF NORTH CAROLINA WANT FROM GOVERNMENT, A MAN WHO BELIEVES THAT GOVERNMENT SHOULD ACT AS SERVANT, NOT MASTER OF THE PEOPLE.

*Ham...  
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