

~~Bob Dole~~
Daryl Robertson

REMARKS OF SENATOR BOB DOLE

BAXTER FOR SENATE DINNER
MILFORD, DELAWARE

MONDAY, OCTOBER 23, 1978

Jim Baxter
"Safety Annual
Baxter letter"

John Warner
"on Enam
Baxter
"Chulane are
Coming Home To
Road!"

TRADITIONALLY, THE PARTY OUT OF POWER FOCUSES ITS OFF-YEAR
ELECTION CAMPAIGN ON WHAT'S WRONG WITH THE PARTY IN POWER.
FOR A LONG, LONG TIME WE'VE GROWN ACCUSTOMED TO THIS ROLE,
PERHAPS TOO COMFORTABLE WITH IT. AND THIS YEAR IS NO EXCEPTION.

REPUBLICAN CANDIDATES ARE POINTING OUT THE DEFICIENCIES OF THE
PRESIDENT AND HIS ALLIES IN CONGRESS, THE FOREIGN AND DOMESTIC
POLICY FAILURES, THE WOEFULLY INADEQUATE ECONOMIC, ENERGY, FARM,
HEALTH CARE, AND URBAN INITIATIVES OF THE MAJORITY PARTY.
FRANKLY, IT'S NOT HARD TO CONSTRUCT A PRETTY CONVINCING CASE
AGAINST THE DEMOCRATS.

-2-

BUT IS IT ENOUGH FOR US TO SAY THE DEMOCRATS ARE BAD AND WE'RE AVAILABLE? DON'T WE RISK PROLONGING THE PERCEPTION OF OUR PARTY AS A PARTY OF POLITICAL "AGAINSTERS", A PARTY THAT CARES FOR THE HAVES AND NOT THE HAVE-NOTS, THOSE WHO CAN HELP THEMSELVES AND NOT THOSE WHO NEED HELP? ISN'T IT TIME FOR REPUBLICAN POLITICIANS AND OFFICE HOLDERS TO TELL THE AMERICAN PEOPLE WHAT WE STAND FOR, NOT JUST WHAT WE ARE AGAINST?

THE FOREIGN AND DOMESTIC POLICY SHORTCOMINGS OF OUR OPPONENTS ARE WELL DOCUMENTED. YOU'VE HEARD THEM ALL BEFORE. SO I'D LIKE TO TALK ABOUT WHAT WE, AS REPUBLICANS, WANT TO DO FOR THE AMERICAN PEOPLE, NOT JUST WHAT THE DEMOCRATS HAVE DONE TO THE AMERICAN PEOPLE.

-3-

OPPORTUNITY IN 1978

OUR PARTY HAS A TREMENDOUS OPPORTUNITY IN 1978 TO OFFER TO THE VOTERS OF AMERICA ATTRACTIVE ALTERNATIVES TO MORE-OF-THE-SAME POLICIES WHICH HAVE USHERED IN AN ERA OF HIGH TAXATION, HIGH UNEMPLOYMENT, DOUBLE-DIGIT INFLATION, AND OVERZEALOUS GOVERNMENT REGULATION.

OUR RECORD -- THE REPUBLICAN RECORD -- IS CLEAR AND CONSISTENT, OUR COMMITMENT TO FISCAL RESPONSIBILITY AND LOWER TAXES WELL KNOWN. AFTER YEARS OF FIGHTING AN OFTEN FRUSTRATING BATTLE AGAINST THE ENCROACHMENT OF GOVERNMENT, AFTER YEARS OF PLEADING THE CASE AGAINST THE DEMOCRATS, THE ISSUES OF 1978 ARE OUR ISSUES, THE OPPORTUNITIES IN 1978 ARE OUR OPPORTUNITIES AND IT IS OUR OPPONENTS WHO ARE STRUGGLING MIGHTILY TO CONVINCING THE VOTERS THAT THEY STAND TODAY FOR THE SAME THINGS REPUBLICANS HAVE STOOD FOR A LONG, LONG TIME.

-4-

END OF AN ERA

THE ERA IS OVER WHEN POLITICIANS CAN BUY POLITICAL POWER WITH TAXPAYERS' DOLLARS. THE PEOPLE ARE DEMANDING AN END TO THE "TAX AND TAX, SPEND AND SPEND" PHILOSOPHY WHICH HAS DOMINATED OUR GOVERNMENT FOR FAR TOO LONG. THE VOTERS WANT A CONCRETE COMMITMENT TO FISCAL RESPONSIBILITY, NOT A PASSING RHETORICAL NOD AT ELECTION TIME.

NO ONE ISSUE IS MORE REFLECTIVE OF THE PUBLIC MOOD AND NONE HOLDS GREATER POLITICAL PROMISE FOR THE REPUBLICAN PARTY THAN THE STATE OF THE AMERICAN ECONOMY.

THE AMERICAN PEOPLE UNDERSTAND THAT WHAT MAKES IT DIFFICULT FOR THEM TO BALANCE THEIR BUDGETS IS THAT THE GOVERNMENT REFUSES TO BALANCE ITS OWN. EVERYTIME THE COST OF LIVING GOES UP BY 10%, GOVERNMENT REVENUES GO UP 16%. AS IT STANDS NOW, THERE'S NO INCENTIVE FOR GOVERNMENT TO STEM INFLATION, BECAUSE GOVERNMENT ISN'T SUFFERING FROM INFLATION.

-5-

WE WON'T GET A HANDLE ON INFLATION -- AND THE HIGH TAXES IT MANDATES -- UNTIL WE RESTORE FISCAL SANITY IN WASHINGTON, SLOW THE INEXORABLE GROWTH OF GOVERNMENT SPENDING, ELIMINATE HUGE BUDGET DEFICITS, AND RESTORE PUBLIC CONFIDENCE IN THE AMERICAN ECONOMY -- CONFIDENCE THAT EVERY DOLLAR SPENT BY GOVERNMENT WILL BE AN INVESTMENT IN AMERICA'S FUTURE, NOT AN ADDITIONAL MORTGAGE ON OUR CHILDREN AND OUR CHILDREN'S CHILDREN.

EROSION OF CONFIDENCE

TODAY, INFLATION, HAS ERODED THE TAXPAYERS' CONFIDENCE IN THE FAIRNESS OF OUR TAX SYSTEM, PUSHED UP THE COST OF EVERYTHING WE BUY, MADE HOME OWNERSHIP AN IMPOSSIBLE DREAM FOR FAR TOO MANY YOUNG PEOPLE, AND ENGENDERED IN OUR PEOPLE AN ECONOMIC PESSIMISM WHICH THREATENS THE ABILITY OF GOVERNMENT TO DO THE THINGS IT OUGHT TO DO.

-6-

TODAY, IF A TAXPAYER'S SALARY GOES UP TO ACCOMMODATE FOR INFLATION, THE TAXPAYER ENDS UP PAYING MORE TAXES THAN BEFORE THE SALARY INCREASE. SO HE'S HIT FROM BOTH SIDES -- HIGHER TAXATION AND HIGHER INFLATION. THE TAX REDUCTION BILL JUST PASSED BY CONGRESS, WELCOME AS IT MAY BE TO HARD-PRESSED TAXPAYERS, ISN'T REALLY GOING TO HELP THAT MUCH. IN FACT, DESPITE THE \$18.7 BILLION TAX CUT, MORE THAN 80% OF OUR NATIONS' TAXPAYERS WILL RECIEVE A TAX INCREASE ON JANUARY 1. ONE OF THE MAIN REASONS IS THAT SOCIAL SECURITY TAXES WILL CLIMB NEXT YEAR BY AS MUCH AS \$260 AND IT WILL CONTINUE TO CLIMB THEREAFTER. INFLATION IS OUR NUMBER ONE TAX PROBLEM. INFLATION ON THE INCOME TAX SYSTEM WILL CONTINUE TO PUSH AMERICAN FAMILIES INTO HIGHER AND HIGHER TAX BRACKETS THIS YEAR, NEXT YEAR, AND THE YEAR AFTER THAT. THIS PHENOMENON, WHICH I CALL TAXFLATION, CAUSES AMERICANS TO PAY A GREATER PORTION OF THEIR INCOME IN TAXES. FOR EXAMPLE,

-7-

A FAMILY EARNING \$15,000 IN 1978 MUST EARN \$16,200 IN 1979 TO KEEP UP WITH OUR 8% INFLATION RATE. THE FAMILY HASN'T INCREASED ITS REAL INCOME BUT PAYS AN ADDITIONAL \$260 IN TAXES NEXT YEAR.

T.E.A.

I DON'T THINK THAT'S FAIR. THAT'S WHY I'LL BE INTRODUCING NEXT YEAR THE TAX EQUALIZATION ACT --- T.E.A. --- AN INNOVATIVE TAX CONCEPT WHICH PROHIBITS GOVERNMENT FROM LEVYING A TAX ON INCREASES IN INCOME DUE SOLELY TO INFLATION.

-8-

UNDER T.E.A., THE TAX CODE WOULD BE "INDEXED" SO THAT TAX BRACKETS AND EXEMPTIONS AND DEDUCTIONS KEEP PACE WITH INFLATION.

INDEXATION ISN'T A NEW IDEA. IN FACT, MOST OF THE FEDERAL GOVERNMENT'S EXPENDITURES ARE ALREADY INDEXED. DOESN'T IT SEEM FAIR THAT THE TAXES WE PAY -- THE REVENUES WHICH FEED GOVERNMENT -- ALSO BE INDEXED?

THE TAX EQUALIZATION ACT IS A POSITIVE PROGRAM, A CONCEPT WHICH WILL FORCE GOVERNMENT TO PARE BACK UNNECESSARY SPENDING, TO SUFFER RIGHT ALONG WITH THE REST OF US FROM THE EVILS OF INFLATION. IT WILL HELP RESTORE THE PUBLIC'S CONFIDENCE IN THE FAIRNESS OF OUR TAX SYSTEM. IT WILL LEAVE MORE MONEY IN THE HANDS OF THE PEOPLE WHO EARN IT. AND IT WILL ELIMNATE THE NEED FOR ILLUSORY ELECTION YEAR TAX "CUTS" - LIKE THE ONE CONGRESS JUST PASSED.

-9-

BUT TAX RELIEF FOR THE AMERICAN PEOPLE THROUGH TAX EQUALIZATION IS ONLY ONE PART OF THE NEW ECONOMIC PROGRAM WE, AS REPUBLICANS, SHOULD BE FIGHTING FOR.

THE FACT THAT WE HAVE HUGE BUDGET DEFICITS AT A TIME OF DOUBLE-DIGIT INFLATION SHOWS US THAT CUTTING TAXES IS NOT THE ONLY REMEDY TO OUR ECONOMIC WOES. THE REPUBLICAN SOLUTION -- IS TO CUT GOVERNMENT SPENDING, TOO. THE ANSWER IS TO REQUIRE GOVERNMENT TO DO WHAT THE REST OF US HAVE TO DO, TO LIVE WITHIN A BALANCED BUDGET.

NOW PRESIDENT CARTER TOLD US TWO YEARS AGO THAT HE WAS GOING TO BALANCE THE FEDERAL BUDGET BY 1980. IN THE FIRST TWO YEARS OF HIS ADMINISTRATION, GOVERNMENT SPENDING HAS INCREASED BY 100 BILLION DOLLARS. IT'S NOT ENTIRELY THE PRESIDENT'S FAULT. BUT I DON'T THINK WE CAN AFFORD TO WAIT MUCH LONGER FOR A BALANCED FEDERAL BUDGET.

-10-

A BALANCED FEDERAL BUDGET

IF WE DON'T DO SOMETHING SOON IN WASHINGTON, IF WE AS REPUBLICANS DON'T PROVIDE THE LEADERSHIP, THE PEOPLE ARE GOING TO TAKE ACTION THEMSELVES.

AND I WELCOME IT. IN FACT, I HAVE URGED THE NATION'S LEGISLATURES TO PETITION CONGRESS FOR A CONSTITUTIONAL CONVENTION WHICH WOULD AMEND THE CONSTITUTION TO REQUIRE A BALANCED FEDERAL BUDGET, EXCEPT IN TIMES OF NATIONAL EMERGENCY. I THINK EVERY REPUBLICAN RUNNING FOR OFFICE CAN AND SHOULD SUPPORT THIS INITIATIVE.

TAX EQUALIZATION, BALANCED FEDERAL BUDGET, FEDERAL SPENDING RESTRAINT -- THESE ARE CONCRETE, POSITIVE GOALS. BUT IN OUR ZEAL TO RESTORE FISCAL RESPONSIBILITY IN WASHINGTON, WE MUSTN'T IGNORE THE REAL PROBLEMS OF OUR NATION. OUR CONCERN ABOUT THE ECONOMY,

-11-

ABOUT RUNAWAY GOVERNMENT SPENDING, DOESN'T MEAN WE ARE
INSENSITIVE TO THE PROBLEMS OF UNEMPLOYMENT, POVERTY, ESCALATING
HEALTH CARE COSTS, URBAN DECAY, AND INADEQUATE FARM INCOME.

WE REPUBLICANS ARE CONCERNED. AND IT'S OUR CONCERN ABOUT THESE
ECONOMIC PROBLEMS WHICH MOTIVATES US TO PROPOSE TAX AND ECONOMIC
POLICIES WHICH WILL STABILIZE OUR DOMESTIC ECONOMY, STRENGTHEN
THE GOVERNMENT'S ABILITY TO HELP PEOPLE, AND ENABLE GOVERNMENT
AT ALL LEVELS TO FOCUS LIMITED RESOURCES ON OUR MOST PRESSING
NATIONAL NEEDS.

NATIONAL HEALTH CARE

ONE AREA URGENTLY NEEDING ATTENTION IS NATIONAL HEALTH CARE.
TO DATE, FEDERAL HEALTH PROGRAMS HAVE NOT REDUCED THE PERCENTAGE
OF INCOME OLDER AMERICANS EXPEND ON MEDICAL SERVICES BY ONE
POINT. BUT COSTLY, COMPREHENSIVE NATIONAL HEALTH INSURANCE
PROPOSALS ARE NOT THE ANSWER. THEY WILL ONLY FURTHER THE IN-
FLATION SPIRAL IN HEALTH CARE COSTS.

-12-

BUT IF COMPREHENSIVE FEDERAL ACTION IN THE HEALTH CARE FIELD IS WRONG, AND IF WE, AS REPUBLICANS, OPPOSE IT, ISN'T IT TIME TO RECOGNIZE 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 ILLNESSES AND ACCIDENTS CAN STRIKE ANYONE AT ANY TIME. AND THE FEAR OF DISABLING OR EVEN FATAL INJURY SHOULD NOT ALWAYS BE ACCOMPANIED BY THE FEAR OF CRIPPLING FINANCIAL BURDEN OF THE COST OF TREATMENT. I THINK WE CAN SUPPORT CATASTROPHIC HEALTH INSURANCE COVERAGE. BECAUSE IT MAKES SENSE FOR THE AMERICAN PEOPLE. IT'S A PROGRAM THEY WANT AND CAN AFFORD, IF GOVERNMENT GETS ITS FISCAL HOUSE IN ORDER. SO, TOO, WE CAN SAVE BILLIONS OF DOLLARS IN HOSPITAL AND MEDICAL BILLS BY INCREASING PUBLIC AWARENESS OF THE RELATIONSHIP BETWEEN NUTRITION AND HEALTH, BY FOCUSING OUR LIMITED RESOURCES ON PREVENTING ILLNESS, NOT JUST CURING IT.

-13-

GOVERNMENT OVER-REGULATION HAS BEEN A THORN IN THE SIDE OF BUSINESS AND CONSUMERS ALIKE FOR DECADES. IT HAS DRIVEN UP THE COST OF GOVERNMENT, THE COST OF EVERYTHING WE BUY. IN THE YEARS AHEAD, WE MUST STEP UP OUR FIGHT FOR DEREGULATION OF THE AMERICAN ECONOMY, FREEING FARMERS AND EDUCATORS AND ENERGY PRODUCERS FROM THE TANGLED WEB OF BUREAUCRATIC RULES AND REGULATIONS. WE'VE GOT TO MOVE FORWARD WITH BOLD NEW PLANS TO REFORM OUR NATION'S ANTIQUATED WELFARE LAWS, ENSURE THE SURVIVAL OF THE FAMILY FARM, REINVIGORATE OUR DECAYING INNER-CITIES, AND MAKE IT EASIER FOR STUDENTS AND THEIR PARENTS TO PAY FOR EVER-INCREASING COLLEGE TUITION COSTS.

REPUBLICANS HAVE PUT FORWARD CONCRETE PROPOSALS IN ALL THESE AREAS -- PROPOSALS WHICH ADDRESS THE MOST PRESSING NEEDS OF OUR PEOPLE WITHOUT PROMISING TOO MUCH, WITHOUT SPENDING TOO MUCH, WITHOUT TAXING TOO MUCH.

HUMAN RIGHTS AND THE ARMS RACE

IN THE INTERNATIONAL ARENA, REPUBLICANS HAVE TRADITIONALLY INSISTED UPON RESPECT FOR HUMAN RIGHTS AROUND THE GLOBE. AND WE'VE INSISTED THAT AMERICA MAINTAIN THE MILITARY STRENGTH IT NEEDS SO THAT 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.

OF COURSE, WE SHARE WITH PRESIDENT CARTER A FERVENT HOPE FOR AN END TO THE EVER-ESCALATING ARMS RACE. NO RESPONSIBLE POLITICIAN 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 BE EVER VIGILANT AND STRONG, AWARE THAT THE SOVIETS HAVE REPEATEDLY VIOLATED ARMS AGREEMENTS AND OTHER TREATIES WHEN IT SUITS THEIR NATIONAL NEEDS. AND, WITH THIS IN MIND, WE MUST CLOSELY SCRUTINIZE THE STRATEGIC ARMS LIMITATION TREATY WHICH WILL BE SUBMITTED TO US NEXT YEAR.

-15-

COOPERATION WITH GOVERNMENT

OUR PARTY CAN DO A LOT FOR THE AMERICAN PEOPLE. WE HAVE THE RIGHT -- INDEED, THE OBLIGATION -- TO OPPOSE MISDIRECTED AND UNPRODUCTIVE SPENDING AT EVERY LEVEL OF GOVERNMENT. BUT, TOO, AS THE PARTY OF OPPOSITION, WE HAVE THE OBLIGATION TO PUT FORWARD POSITIVE INITIATIVES, NEW APPROACHES TO THE NEEDS OF THE 20TH CENTURY.

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 IN COOPERATION WITH GOVERNMENT CAN MEET THIS CHALLENGE.

YOU AND I ARE HEIRS TO HISTORY'S GREATEST LEGACY, THE MOST SUCCESSFUL NATION ON EARTH. 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 -- NOR WILL IT SURVIVE -- 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 -- AT HOME AND ABROAD.

AND THAT IS THE BANNER WE CARRY, THE PURPOSE WE MUST ARTICULATE, THIS YEAR, NEXT YEAR, AND IN THE DECADES WHICH LIE BEFORE US.

#