

*didn't give
(Bane)*

REMARKS OF SENATOR BOB DOLE
COMMITTEE OF 100
MIAMI, FLORIDA
JANUARY 30, 1979

LET ME BEGIN THIS EVENING BY TELLING YOU HOW HONORED I
AM BY YOUR INVITATION, AND THE OPPORTUNITY YOU HAVE AFFORDED
ME TO JOIN THE LONG AND DISTINGUISHED LINE OF SPEAKERS WHO
HAVE SHARED THEIR IDEAS WITH YOU SINCE 1926.

THERE ARE SO MANY THINGS I COULD DISCUSS WITH YOU, SO MANY
PRESSING ISSUES WHICH TOGETHER THREATEN THE WAY OF AMERICAN
LIFE THAT EACH OF US IS SWORN TO PROTECT. OF THEM ALL,
NONE BODES SO IMPORTANT FOR OUR FUTURES THAN THE SHAPE OF
THE AMERICAN ECONOMY.

LAST WEEK, WE LISTENED TO THE PRESIDENT PROCLAIM THE NEED FOR A NEW FOUNDATION FOR AMERICA. I THOUGHT AT LAST HE WAS REALIZING WHAT DEMOCRATIC DEFICITS WERE DOING TO THE ECONOMIC STRUCTURE OF FREE ENTERPRISE. BUT AS I LISTENED CLOSER, I CAUGHT A NOTE--NO, AN ENTIRE SYMPHONY--OF SELF-CONGRATULATIONS. PRESIDENT CARTER STOOD BEFORE THE AMERICAN PEOPLE AND CONGRATULATED HIMSELF ON TURNING IN A BUDGET \$29 BILLION IN THE RED.

I NEEDN'T REMIND ANY OF YOU WHAT WOULD HAPPEN TO AN EXECUTIVE IN THE PRIVATE SECTOR WHO TOOK COMFORT IN SUCH BOASTS. THE STOCKHOLDERS WOULDN'T STAND FOR IT. NEITHER, IN MY OPINION, SHOULD THE AMERICAN PEOPLE.

SURPRISE FOLLOWED SURPRISE IN WASHINGTON LAST WEEK. THE FEDERAL BUDGET, THAT POOR UNDERNOURISHED CREATURE DESCRIBED BY THE PRESIDENT AS "LEAN AND AUSTERE" WAS RELEASED FOR PUBLIC SCRUTINY. I WOULD CHOOSE DIFFERENT ADJECTIVES IN LABELING THE BUDGET.

A BUDGET OUT OF CONTROL

WE'VE ALL HEARD THAT DEFENSE SPENDING IS UP 3 PERCENT. DID YOU KNOW THAT THE DEPARTMENT OF HEALTH, EDUCATION AND WELFARE IS UP OVER 10 PERCENT? THAT HOUSING AND URBAN DEVELOPMENT IS UP 18 PERCENT. THAT \$10 BILLION IS STILL ALLOCATED TO THE CETA PROGRAM, DESPITE WIDELY REPORTED ABUSES AND FINANCIAL MISMANAGEMENT OF THAT PUBLIC EMPLOYMENT SCHEME.

THIS YEAR, THE PEOPLE OF THE UNITED STATES WILL BE TAXED NEARLY \$60 BILLION JUST TO PAY INTEREST ON THEIR NATIONS' PUBLIC DEBT. THAT'S MORE THAN WE SPEND ON ENERGY, FOREIGN AID, REVENUE SHARING, SCIENCE AND TECHNOLOGY, AID TO COMMUNITY AND REGIONAL DEVELOPMENT, POLLUTION CONTROL, AGRICULTURE AND CIVIL SERVICE RETIREMENT.

THIS YEAR, FOR THE 19TH TIME IN 21 YEARS, AN AMERICAN PRESIDENT WILL SUBMIT AN UNBALANCED BUDGET TO THE CONGRESS. SINCE 1970 ALONE, WE HAVE RUN UP MORE THAN A THIRD OF A BILLION DOLLARS IN SUCH IRRESPONSIBLE DEBTS. IF A CHILD WAS BORN THIS MINUTE, HE OR SHE COULD NOT EQUAL THIS YEARS' FEDERAL SPENDING SPREE BY SHELLING OUT \$10,000 A MINUTE FOR A HUNDRED YEARS.

THE NUMBERS TAKE ON A NUMBING SAMENESS AFTER A WHILE, A REMOTE HORROR THAT ONLY RECENTLY HAS BEGUN TO ENRAGE THE PEOPLE WHO PAY THE BILLS.

AS IF ALL THIS WEREN'T BAD ENOUGH, WE HAVE A PRESIDENT FORECASTING THIS \$29 BILLION DEFICIT BASED UPON ECONOMIC ASSUMPTIONS THAT ARE, AT BEST, ROSY. THE PRESIDENT PROMISES US THAT INFLATION WILL DECLINE FROM NEARLY 10 PERCENT TO JUST 6 PERCENT. HE PREDICTS THE ECONOMY WILL GROW AT AN ANNUAL RATE OF AT LEAST 2.2 PERCENT THIS YEAR, AND HALF AGAIN AS HIGH IN 1980. FINALLY, HE PROJECTS A RISE IN UNEMPLOYMENT TO A LEVEL NO HIGHER THAN 6.2 PERCENT.

IT'S NOT ENOUGH TO SAY THAT ADMINISTRATION FORECASTS HAVE BEEN GRIEVOUSLY INCORRECT IN THE PAST, NOR THAT MOST ECONOMISTS DISPUTE THESE LATEST PREDICTIONS AS WILDLY OPTIMISTIC. THE DEBATE OVER CURRENT ECONOMIC POLICY MUST NOT BE LIMITED TO MERE STATISTICS.

OF FAR MORE IMPORTANCE IS THE LONG-RANGE TREND TOWARD A FEDERAL GOVERNMENT THAT ASSUMES FOR ITSELF A DIVINE RIGHT IN ALLOCATING AND ADJUSTING NATIONAL WEALTH. AND THIS INEXORABLE RISE IN GOVERNMENT EXPECTATIONS CAN HARDLY BE CHECKED BY A BUDGET \$29 BILLION--AND PROBABLY MORE--OUT OF BALANCE.

TURNING THE GOVERNMENT AROUND

THERE IS NO QUESTION IN MY MIND THAT THE FEDERAL SHOPPING LIST CAN BE SHORTENED. LET ME GIVE YOU A FEW EXAMPLES. LAST YEAR AMTRAK, THE FEDERALLY SUBSIDIZED RAIL SYSTEM, TOOK IN TWO PUBLIC DOLLARS FOR EVERY ONE PRIVATE. DOES THAT MAKE SENSE TO YOU?

THIS YEAR, GOVERNMENT WILL SPEND OVER \$2.6 BILLION ON CHILD NUTRITION PROGRAMS, A VERY WORTHWHILE CONCEPT. YET \$700 MILLION OF THOSE DOLLARS, OVER A QUARTER OF THE TOTAL AMOUNT, WILL BENEFIT FAMILIES WITH ANNUAL INCOMES OVER \$14,000. DOES THAT MAKE SENSE TO YOU?

\$11 BILLION WILL BE SPENT THIS YEAR IN FEDERAL UNEMPLOYMENT BENEFITS. \$2 BILLION WILL GO TO FAMILIES WITH ANNUAL INCOMES OVER \$20,000. A WASHINGTON, D.C. AREA HOUSING DEVELOPER IS URGING THE GOVERNMENT TO PROVIDE SUBSIDY ASSISTANCE TO FAMILIES WITH ANNUAL INCOMES OF \$18,000. DO THOSE IDEAS MAKE SENSE TO YOU?

A BANKRUPT POLICY

HALF A CENTURY HAS PASSED THIS OCTOBER SINCE THE COLLAPSE OF WALL STREET USHERED IN THE GREAT DEPRESSION. BY THE TIME THE UNITED STATES LEFT THE DEPRESSION BEHIND, OUR INTERNAL POLITICS HAD BEEN AS RADICALLY CHANGED AS OUR ECONOMY. WHAT WE SAW LAST WEEK WAS THE ATTEMPT BY A WELL-MEANING PRESIDENT TO RECONCILE DEPRESSION ERA POLITICAL THEORY WITH THE DEMANDS OF THE MODERN WORLD. WE HEARD THE PRESIDENT DOING HIS BEST TO PAPER OVER CRACKS IN HIS OWN PARTY, PROMISING A LITTLE MORE NEW DEAL AS A REMEDY FOR HIS FAILURE TO ENLIST THE LOYALTIES OF THE DEMOCRATIC LEFT WING. THE PRESIDENT SPEAKS OF ECONOMY, BUT HE PRACTICES SPENDTHRIFT TACTICS. HE URGES A NEW FOUNDATION, BUT OVERLOOKS THE REASON WHY THE HOUSE IS FALLING DOWN.

WE AMERICANS ARE WITNESSING A PARTY AND AN ECONOMIC PHILOSOPHY COMING APART AT THE SEAMS. WE ARE SEEING FIRST-HAND WHAT HAPPENS TO A POLITICAL ORGANIZATION GROWN FLABBY AND INTELLECTUALLY BARREN.

BUT WE ARE IN NO POSITION, NOR DO WE HAVE ANY DESIRE TO GLOAT OVER THE DOWNFALL OF GOVERNMENT BY CHARGE CARD. FOR WE MUST ASSUME RESPONSIBILITY FOR REPLACING THE OLD AND EXHAUSTED FORMULAS OF THE PAST WITH ECONOMIC POLICIES THAT REFLECT A MAXIMUM UTILIZATION OF INDIVIDUAL INITIATIVE.

A NEW ECONOMICS

THE TIME HAS COME FOR A NEW ECONOMICS, MORE APPEALING THAN THE OLD, BASED ON MORE THAN A MERE BALANCED BUDGET.

TO ACHIEVE THESE GOALS, WE MUST SET OUT TO EDUCATE AND ENLIST THE AMERICAN PEOPLE. WHAT'S WRONG WITH A \$29 BILLION DEFICIT? FOR ONE THING, SUCH FISCAL IRRESPONSIBILITY IS THE SINGLE LARGEST CAUSE OF INFLATION. AND INFLATION IS FAR MORE THAN THE PAIN ATTENDING A VISIT TO THE SUPERMARKET. INFLATION DISCOURAGES CAPITAL INVESTMENT, WHICH IN TURN DISCOURAGES JOB FORMATION. AND WE MUST CONTINUE TO HIT HARD AT THE DIRECT CAUSE AND EFFECT RELATION BETWEEN BLOATED GOVERNMENT AND A SLUGGISH ECONOMY.

BEYOND THAT, A BALANCED BUDGET IS ABSOLUTELY VITAL TO THE PSYCHOLOGICAL MOOD WE CREATE AT HOME AND ABROAD. LABOR AND MANAGEMENT, WHATEVER THEIR OTHER DIFFERENCES, ARE UNITED IN REJECTING GUIDELINES AND OTHER COST CONTROLS UNTIL THEY PERCEIVE AS GENUINE THE FEDERAL GOVERNMENTS' COMMITMENT TO A WAR ON INFLATION. AND IT SHOULD COME AS NO SURPRISE THAT FOREIGN BANKERS WILL CONTINUE DUMPING AMERICAN DOLLARS UNLESS THEY, TOO, ARE PERSUADED THAT THE DOLLAR RESTS UPON SOMETHING MORE RELIABLE THAN MR. CARTER'S NEW FOUNDATION.

A LACKLUSTER LEADERSHIP

AND THAT BRINGS ME TO THE HEART OF MY CRITICISM OF THE CURRENT ADMINISTRATION. "LACKLUSTER AND GROPING... HE DOES NOT FIRE UP THE NATION. HE HAS YET TO INFUSE THE PRESIDENCY AND THE PEOPLE WITH A SENSE OF VISION."

THOSE AREN'T MY WORDS, ALTHOUGH I AM IN HEARTY AGREEMENT WITH THEM. THEY COME FROM THE HIGHLY RESPECTED CHRISTIAN SCIENCE MONITOR, AND THEY SPEAK VOLUMES ABOUT THE FAILURES OF LEADERSHIP COMMITTED BY THE CARTER ADMINISTRATION TO DATE.

WE HAVE OURSELVES A GOVERNMENT BY HYPE. WE HAVE HYPE OVER CHINA, OVER SALT, OVER A NON-EXISTENT PEACE IN THE MIDDLE EAST. WE HAVE ELOQUENT WORDS ABOUT HUMAN RIGHTS, AND ALMOST NO FOREIGN POLICY STRUCTURE TO BACK THEM UP. THE WHOLE CURRENT BUDGET IS AN EXERCISE IN HYPE, AN ATTEMPT BY GERALD RAFSHOON AND CREW TO CONVINCE THE AMERICAN PEOPLE THAT A \$29 BILLION DEFICIT IS REALLY A SURPLUS.

AT TIMES, I THINK IT'S JERRY RAFSHOON THAT OCCUPIES THE OVAL OFFICE. FOR JIMMY CARTER, HALFWAY THROUGH HIS TERM, SEEMS RELUCTANT TO PRESS HIS CLAIM TO THE ATTENTION AND THE IDEALISM OF OUR PEOPLE. CONFUSED, GROPING, UNCERTAIN OF ITS DIRECTION, IT'S NO SURPRISE THAT THE CARTER ADMINISTRATION IMPARTS LITTLE SENSE OF DIRECTION TO THE REST OF US.

THE PRESIDENT COULD HAVE USED HIS STATE OF THE UNION ADDRESS AS A PLATFORM FROM WHICH TO SKETCH A NATIONAL VISION. HE COULD HAVE PROCLAIMED THE END OF THE CORNUCOPIA OF FEDERAL BENEFITS AND CALLED UPON OUR PEOPLE TO ACCEPT AUSTERITY NOW IN FAVOR OF BRIGHT DAYS AHEAD.

HE DID NO SUCH THING. HE TRIED TO PLEASE ALL PEOPLE AND WOULD UP PLEASEING ALMOST NO ONE. HE SUGGESTED THAT WE ARE IN A PERIOD OF TRANSITION, BUT REFUSED TO GUESS WHAT THAT TRANSITION MIGHT LEAD TO.

THE PRESIDENT REFUSED ONCE AGAIN TO ARTICULATE ANY COHERENT SENSE OF WHERE WE ARE AS A NATION, WHERE WE HAVE BEEN, AND WHERE WE SHOULD SEEK TO GO.

THAT, TO ME, IS A FAILURE OF LEADERSHIP. THAT, TO ME, IS A FAILURE OF IMAGINATION. THAT, TO ME, IS A FAILURE OF THE PRESIDENCY ITSELF, THE ONE OFFICE THAT, IN THE HANDS OF A BOLD AND VISIONARY LEADER, CAN MOVE A NATION TO GREAT DEEDS.

A POSITIVE ALTERNATIVE

BUT CRITICISM COMES CHEAP. IT MAY BE THE ONLY THING NOWADAYS THAT DOES. IF THOSE OF US WHO BELIEVE IN FREE ENTERPRISE AS A SOLUTION TO ECONOMIC PROBLEMS ARE TO EARN THE CONFIDENCE OF 220 MILLION AMERICANS, WE MUST PROPOSE TO THEM AN AGENDA THAT IS BOTH CREATIVE AND COMPASSIONATE, FRESH AND FORCEFUL. THEY ARE WAITING FOR US TO DO SO. THE VERY FUTURE OF OUR POLITICAL AND ECONOMIC SYSTEMS HANGS IN THE BALANCE.

TO BEGIN WITH, WE MUST RECOGNIZE THE INTELLECTUAL BANKRUPTCY OF THE OLD ECONOMIC DEBATES. FRANKLIN ROOSEVELT HAS BEEN IN THE EARTH OF DUTCHESS COUNTY FOR 34 YEARS; WHY GO ON DENOUNCING WHAT HE STARTED?

THE AMERICAN PEOPLE ARE JUSTIFIABLY WEARY OF THE OLD DEBATE OF WE VERSUS THEY, OF RICH VERSUS POOR, CITY DWELLER VERSUS SUBURBANITE. THEY ARE WEARY OF A DEBATE THAT RAGES AROUND THE COLOR OF YOUR SKIN, OR YOUR WORK COLLAR.

AND WE HAVE THE RESPONSIBILITY--THE HISTORIC PRIVILEGE--OF OFFERING THEM SOMETHING BETTER. NO FAIR GOVERNMENT CAN PROMISE PROSPERITY TO ALL MEN. BUT WE CAN PROMISE AN ECONOMIC AND SOCIAL CLIMATE IN WHICH ALL MEN CAN EARN THEIR PROSPERITY. NO JUST GOVERNMENT CAN HOPE TO REDISTRIBUTE WEALTH EQUALLY AND NOT WRECK THE FREE ENTERPRISE SYSTEM. BUT WE CAN PROMISE TO REDISTRIBUTE WORK, BY OPENING UP JOBS, BY SPURRING PRIVATE INVESTMENT, BY REMOVING WHATEVER BARRIERS NOW EXIST TO HELP BLACKS, WOMEN AND OTHER MINORITIES FROM CONTRIBUTING THEIR TALENTS AND TAKING AWAY THEIR SHARE OF THE NATIONAL WEALTH.

TAX INDEXING

WE CAN MOVE NOW TO ENACT A SYSTEM OF TAX INDEXING. I HAVE INTRODUCED LEGISLATION WHICH WOULD DO JUST THAT, TYING WITHHOLDING RATES TO THE CONSUMER PRICE INDEX AND THEREBY REMOVING THE POLITICAL INCENTIVE FOR CONGRESSMEN TO PASS SO-CALLED "TAX CUTS" WHICH ARE NOT, IN FACT, TAX CUTS AT ALL. INDEXING IS A FAIRER WAY OF ASSESSING THE TAX LOAD. IT REASSURES OUR PEOPLE AND OUR BUSINESS SECTOR THAT THE FEDERAL GOVERNMENT IS AT LAST WILLING TO ASSUME RESPONSIBILITY FOR THE RAVAGES OF INFLATION, RATHER THAN TURN THOSE RAVAGES TO POLITICAL BENEFIT.

AN ADMINISTRATION WITH BROADER VISION THAN THE CURRENT ONE WOULD LINK THE FIGHT AGAINST INFLATION TO THE CHALLENGE OF STIMULATING PRODUCTIVITY. IT WOULD COORDINATE POLICIES TO ATTACK THE ROOT CAUSES OF LOW PRODUCTIVITY, NAMELY, HIGH ENERGY COSTS AND EXCESSIVE REGULATION OF THE ECONOMY. AN IMAGINATIVE ADMINISTRATOR WOULD RECOGNIZE THAT MUCH OF THE CURRENT REGULATORY TANGLE HAS LITTLE OR NO SOCIAL VALUE. INSTEAD, SUCH REGULATION PROTECTS MONOPOLISTIC INTERESTS AT THE EXPENSE OF TRUE FREE ENTERPRISE.

AN ADMINISTRATION THAT CARED ABOUT INDIVIDUAL INITIATIVE WOULD CONSIDER INDIRECT INCENTIVES, SUCH AS TAX PENALTIES OR FINES, TO REPLACE THE TOP HEAVY FEDERAL STRUCTURE OF OVER 80 AGENCIES AND BUREAUS THAT SOAK UP A \$100 BILLION A YEAR THAT MIGHT OTHERWISE STIMULATE ECONOMIC GROWTH.

THE HOAX OF WAGE INSURANCE

SUCH AN ADMINISTRATION COULD NOT, HOWEVER, PROPOSE AS INFLATIONARY A SCHEME AS THE PRESIDENT'S SO-CALLED REAL WAGE INSURANCE PROGRAM. THE ONLY THING THAT IDEA WOULD INSURE WOULD BE EVEN LARGER FEDERAL DEFICITS, EVEN MORE BORROWING BY THE U.S. TREASURY, AND AN EVEN GREATER BURDEN OF DEBT TO BE BORNE BY OUR CHILDREN AND GRANDCHILDREN.

IF REAL WAGE INSURANCE IS THE MOST INNOVATIVE ECONOMIC IDEA THAT THIS ADMINISTRATION CAN COME UP WITH, THEN IT NEEDS HELP FROM OUTSIDE SOURCES. SO LET ME SUGGEST TO YOU AN IDEA THAT I WILL PROPOSE THIS WEEK TO MY COLLEAGUES IN THE CONGRESS.

-16-

A NEW HOOVER COMMISSION

IN 1947, THE CONGRESS INITIATED WHAT CAME TO BE KNOWN AS THE FIRST HOOVER COMMISSION. CREATED IN A CLIMATE OF BUDGETARY EXPANSION AND POST WAR MALAISE, THE COMMISSION UNDERTOOK A WIDE RINGING EXAMINATION OF THE STRUCTURE OF AMERICAN GOVERNMENT. MANY OF ITS NEARLY 300 SUGGESTIONS WERE ADOPTED, AT GREAT SAVINGS IN MONEY AND FEDERAL EFFICIENCY.

SIX YEARS LATER, A SECOND HOOVER COMMISSION WAS CREATED, THIS TIME TO EXAMINE THE FEDERAL MAZE WITH AN EYE TOWARD REDUCING AND EVENTUALLY ELIMINATING GOVERNMENTAL FUNCTIONS THAT DUPLICATED THOSE OF THE PRIVATE SECTOR. HOOVER II ENLISTED THE SUPPORT OF BUSINESS, LABOR AND THE ACADEMIC COMMUNITY AS WELL AS THE POLITICAL WORLD. CHAIRED BY A DISTINGUISHED FORMER PRESIDENT, IT ACCOMPLISHED IF NOTHING ELSE, AN AWAKENING AMONG THE AMERICAN PEOPLE TO THE THREAT POSED BY EVER EXPANDING GOVERNMENT.

THAT AWARENESS HAS RESURFACED IN RECENT MONTHS, AS THE FEVER OF TAX CUTTING HAS INFECTED WASHINGTON ITSELF. BUT REDUCING TAXES, AS LAST YEAR'S PHANTOM CUT SHOWS, IS NOT ENOUGH IF UNACCOMPANIED BY FUNDAMENTAL REDUCTIONS IN THE SIZE AND SCOPE OF MODERN GOVERNMENT.

THE TIME HAS COME FOR A NEW HOOVER COMMISSION, COMPOSED OF FISCAL AND ORGANIZATION EXPERTS, CHAIRED BY THE ONE AMERICAN WHOSE PUBLIC STATURE MATCHES THAT OF PRESIDENT HOOVER IN 1947. GERALD FORD'S OWN COMMAND OF THE BEWILDERING COMPLEXITIES OF THE FEDERAL STRUCTURE WOULD AUGMENT THE PERSONAL PRESTIGE HE MIGHT BRING TO SUCH A TASK.

A FORD COMMISSION WOULD NOT, OF ITSELF, SOLVE PROBLEMS OF FEDERALLY INSPIRED INFLATION AND SLUGGISH PRODUCTIVITY. BUT IT WOULD SERVE TO DRAMATIZE THE SCOPE OF THE PROBLEM AND COULD AROUSE SUFFICIENT PUBLIC SUPPORT FOR ITS RECOMMENDATIONS TO COMPEL THE CONGRESS AND ADMINISTRATION TO ACCEPT A HEALTHY DOSE OF FREE ENTERPRISE.

MOST OF ALL, SUCH AN OFFICIAL EFFORT, CREATED BY THE GOVERNMENT TO REDUCE THE GOVERNMENT, WOULD CARRY FAR MORE WEIGHT THAN PIOUS DECLARATIONS AND \$29 BILLION DEFICITS. IT COULD USE GOVERNMENT ITSELF TO PROMOTE A NEW ECONOMICS, RELYING ON INDIVIDUAL INITIATIVE INSTEAD OF DEFICIT FINANCING.

THE TIME HAS COME TO STOP PROMISING THE AMERICAN PEOPLE BENEFITS THAT CAN ONLY BE PAID FOR THROUGH THE SWEAT OF FUTURE GENERATIONS. THE TIME HAS COME TO STOP MAKING PROMISES, AND START PROMOTING EXERTION. THE OLD ORDER HAS GROWN WEARY. A NEW ONE IS WAITING TO BE BORN.