

REMARKS OF SENATOR BOB DOLE
LINCOLN CLUB OF KENTUCKY LINCOLN DAY DINNER

LOUISVILLE, KENTUCKY

FEBRUARY 24, 1979

LET ME BEGIN BY TELLING YOU HOW HONORED I AM BY YOUR INVITATION, AND HOW PLEASED I AM THAT I WAS ABLE TO ESCAPE SNOWBOUND WASHINGTON AND BE WITH YOU TONIGHT. AS YOU MAY KNOW, THE CAPITOL HAS BEEN PARALYZED FOR NEARLY A WEEK. NOW THAT'S NOTHING NEW, EXCEPT WHEN THE WEATHER IS THE CAUSE. INDEED, IF I MIGHT BORROW A SOMEWHAT CONTROVERSIAL PARAPHRASE FROM PRESIDENT CARTER, I'D EVEN SAY THAT WE'VE BEEN HIT WITH JACK FROST'S REVENGE.

BUT THIS IS KENTUCKY, NOT WASHINGTON. HERE COMMON SENSE IS STILL THE PREFERRED SCHOOL OF THOUGHT. THAT BODES WELL FOR EVERYONE IN THIS ROOM; IT BESPEAKS A LARGER TREND THAT IS MARCHING ALL ACROSS THE LANDSCAPE OF THIS NATION WE LOVE.

-2-

THE TIME HAS COME TO TALK COMMON SENSE TO THE AMERICAN PEOPLE. THE HOUR HAS ARRIVED WHEN NOTHING LESS WILL DO. LET'S NOT MAKE ANY PROMISES WE CANNOT KEEP, BUT LET'S NOT BE AFRAID TO PROMISE SOMETHING BETTER THAN THE PRESENT ADMINISTRATION HAS BEEN ABLE TO GIVE US.

AS I STAND BEFORE YOU THIS EVENING, WE HAVE IN THE WHITE HOUSE A MAN WHO CONGRATULATES HIMSELF ON TURNING IN A BUDGET \$29 BILLION IN THE RED. WE HAVE A GOVERNMENT STRUCTURE THAT SPENDS 38 PERCENT OF THE ENTIRE GROSS NATIONAL PRODUCT. WE OPERATE A FEDERAL BUDGET THAT HAS GROWN SIXFOLD IN LESS THAN A GENERATION, AND A NATIONAL DEBT THAT IS FAST APPROACHING A TRILLION DOLLARS.

THIS YEAR ALONE, THE PEOPLE OF THE UNITED STATES WILL SPEND MORE ON DEBT INTEREST--\$60 BILLION IN ALL--THAN ON ENERGY, FOREIGN AID, REVENUE SHARING, SCIENCE AND TECHNOLOGY, POLLUTION CONTROL, AGRICULTURE, CIVIL SERVICE RETIREMENT AND COMMUNITY AND REGIONAL DEVELOPMENT TO CITIES SUCH AS LOUISVILLE.

-3-

AND THE DEADENING EFFECTS OF BIG GOVERNMENT DON'T END THERE. AMERICAN CONSUMERS WILL PAY AN ADDITIONAL HUNDRED BILLION DOLLARS IN 1979 BECAUSE GOVERNMENT HAS BURDENED US WITH A TOP-HEAVY AND COUNTERPRODUCTIVE REGULATORY SYSTEM THAT IS SO USED TO SAYING NO THAT IT OVERLOOKS WHAT IT'S DOING TO THE VERY UNDERPINNINGS OF FREE ENTERPRISE.

TODAY, OVER 80 REGULATORY AGENCIES AND MORE THAN 100,000 FEDERAL WORKERS HAVE AS THEIR SOLE FUNCTION TELLING OTHER AMERICANS WHAT GOVERNMENT HAS SAID THEY CANNOT DO. THE OFFICE OF MANAGEMENT AND BUDGET HAS ESTIMATED THE COST OF SUCH REGULATION AS HIGH AS \$130 BILLION--ROUGHLY EQUAL TO \$2,000 FOR EVERY AMERICAN FAMILY. THAT'S ENOUGH TO PROVIDE EVERY AMERICAN WITH A YEAR'S SUPPLY OF FREE GROCERIES.

-4-

JIMMY CARTER'S HOUSE OF CARDS

NOW, IT'S TRUE THAT AT TIMES WE REPUBLICANS HAVE GOTTEN HUNG UP ON NUMBERS. PERHAPS WE'VE BEEN SO CONCERNED WITH THE ARITHMETIC OF FEDERAL IRRESPONSIBILITY THAT WE HAVEN'T ALWAYS CONVEYED OUR GRASP OF THE PERSONAL CONSEQUENCES. WE'VE TALKED ABOUT COMPETENCE INSTEAD OF COMPASSION, WITHOUT REALIZING THAT GOVERNMENT MUST COMBINE BOTH TO BE GOOD.

BUT CONSIDER THE ALTERNATIVE--THIS STATE'S GREAT HERO, ABRAHAM LINCOLN, SAID YOU CAN'T FOOL ALL OF THE PEOPLE ALL OF THE TIME. PRESIDENT CARTER AGREES; HE'LL SETTLE FOR A SIMPLE MAJORITY. THE PRESIDENT HOPES TO CONVINCE ENOUGH AMERICANS THAT THE LIBERAL DEMOCRAT THEY ELECTED IN 1976, THE MAN WHO ASSAILED PRESIDENT FORD'S ECONOMIC POLICIES AS UNJUST TO THE WORKINGMAN AND WOMAN, THE SOCIAL EXPERIMENTER WHO PROMISED NATIONAL HEALTH INSURANCE AND A COMPLETE OVERHAUL OF THE WELFARE SCANDAL, THE EFFICIENCY EXPERT WHO GUARANTEED A BALANCED BUDGET BY 1980--HAS CHANGED HIS STRIPES AND--PRESTO--HAS BECOME A CLOSET REPUBLICAN.

-5-

BUT JIMMY CARTER HAS A PROBLEM HIS PARTY IS FALLING APART. EVER SINCE THE GREAT DEPRESSION, ITS LEFT WING HAS REFUSED TO ACCEPT ANY DEVIATION FROM A PLATFORM OF REDISTRIBUTION OF WEALTH. EVEN TODAY, IN THE FACE OF GROWING OUTRAGE FROM THE NATION'S TAXPAYERS, THESE VISIONARIES TURNED MOSSBACKS ARE CONTENT TO GO ON PROMISING BENEFITS FROM A SEEMINGLY INEXHAUSTIBLE WELL, WITHOUT ASKING FOR THE EXERTION WE BELIEVE FORMS THE FOUNDATION OF ECONOMIC AND POLITICAL FREEDOM.

THE PRESIDENT KNOWS THIS. HE KNOWS HE MUST PAPER OVER THE CRACKS THAT ARE RAPIDLY UNDERMINING HIS HOUSE OF CARDS. THAT'S WHY HE POINTS WITH PRIDE TO A \$29 BILLION DEFICIT. THAT'S WHY HE BURIES HIS HEAD IN THE SAND OF FOREIGN POLICY, OVERLOOKING THE TURMOIL IN IRAN, THE ONGOING PENETRATION OF AFRICA AND THE PERSIAN GULF BY SOVIET AND CUBAN FORCES. THAT'S WHY HE PROCLAIMS RECOGNITION OF THE PEOPLE'S REPUBLIC OF CHINA TO BE THE POLITICAL MILLENNIUM. I, TOO, THINK IT POLITICALLY DANGEROUS TO IGNORE NEARLY A BILLION PEOPLE. BUT IS IT NECESSARY TO SACRIFICE A GOOD FRIEND AND VALUED ALLY IN DOING SO? IS IT REASONABLE, IS IT RIGHT, TO TURN OUR BACKS ON TAIWAN PRECISELY WHEN AMERICAN PRESTIGE IS AT AN ALL TIME LOW? MOREOVER, THE CURRENT INVASION OF NORTH VIETNAM BY CHINESE FORCES RAISES SERIOUS QUESTIONS ABOUT OUR NEW FOUND RELATIONSHIP. WHAT HAVE WE GIVEN UP? WHAT HAVE WE GOTTEN?

-6-

IN DOMESTIC POLICY, MR. CARTER PROMISES HIS LEFT WING CRITICS A LITTLE MORE NEW DEAL. THEN HE SPEAKS OF ECONOMY. HE PROCLAIMS A NEW FOUNDATION, WITHOUT REALIZING THAT HIS ECONOMIC POLICIES ARE MAKING THE WHOLE HOUSE FALL DOWN.

BUT CRITICISM COMES CHEAP. THESE DAYS OF DOUBLE DIGIT INFLATION, IT MAY BE THE ONLY THING THAT DOES. THE AMERICAN PEOPLE HAVE HAD ENOUGH OF MERE PARTISANSHIP. THEY ARE TIRED OF SLOGANS IN PLACE OF SOLUTIONS. THEY ARE TURNED OFF TO MOST POLITICIANS, AND THEY WILL STAY THAT WAY UNTIL WE GIVE THEM SOMETHING MORE EXCITING THAN DENUNCIATIONS OF RED INK AND RED TAPE.

IT IS NOT ENOUGH FOR WE REPUBLICANS TO DENOUNCE GOVERNMENT AS TOO BIG OR TOO REMOTE. WE MUST ALSO REJECT IT WHEN IT BECOMES TOO UNFEELING OR TOO PATERNALISTIC. UNDER THE GUISE OF LIBERAL CONCERN, MODERN GOVERNMENT PLACES MILLIONS OF PEOPLE IN LIFELONG DEPENDENCY. IT CARES LITTLE FOR OPENING UP THE ECONOMY AND STIMULATING ENTREPRENEURIAL SPIRIT--THAT WOULD CREATE JOBS AND FREE PEOPLE FROM ITS GRIP. INSTEAD, IT OPERATES UPON THE CONVICTION THAT 20TH CENTURY MAN REQUIRES DIRECTION FROM ABOVE.

-7-

THAT'S NOT MY VISION OF AMERICA. NEITHER IS IT YOURS. OUR AMERICA DOESN'T PROMISE TO REDISTRIBUTE ALL WEALTH EQUALLY. INSTEAD, OUR AMERICA BELIEVES THAT EVERY MAN AND WOMAN SHOULD HAVE AN EQUAL CHANCE AT EARNING WEALTH. OUR AMERICA BELIEVES THAT JOBS ARE BETTER THAN HANDOUTS, AND THE ONLY LASTING JOBS, THE KIND THAT FORM THE ECONOMIC FOUNDATION OF KENTUCKY, ARE BEST CREATED BY PRIVATE, NOT PUBLIC MEANS.

OUR AMERICA BELIEVES IN ECONOMIC EXPANSION INSTEAD OF REGULATORY RETREAT. OUR AMERICA WOULD KEEP ITS WORD TO ALLIES ABROAD AS WELL AS TO THE PEOPLE AT HOME.

AND WE ARE NOT ALONE. THAT'S WHAT MAKES THIS YEAR'S ROUND OF LINCOLN DAY DINNERS SOMETHING MORE EXCITING THAN THE RITUALISTIC PROCLAMATIONS OF VICTORY IN THE UNCERTAIN FUTURE.

-8-

THE AMERICAN PEOPLE DON'T WANT JIMMY CARTER'S NEW FOUNDATION, THEY WANT AN OLD FAITH. THEY WANT A GOVERNMENT THAT CAN BE RESPECTED FOR ITS COMPETENCE AS WELL AS ITS HONESTY, A GOVERNMENT THAT RESPECTS AND ENCOURAGES THEIR INDIVIDUAL ASPIRATIONS FOR SUCCESS. THEY WANT TO BE INDEPENDENT OF GOVERNMENT. THEY WANT THE INDEPENDENCE THAT COMES WITH A WEEKLY PAYCHECK, THE INDEPENDENCE THAT ENABLES A FAMILY TO FEED AND CLOTHE ITSELF, TO LIVE IN A HOUSE OF THEIR OWN CHOOSING, TO SEND THEIR CHILDREN TO A SCHOOL OF THEIR CHOICE. THAT'S WHAT WE REPUBLICANS WANT, TOO.

TO REPUBLICANS IN KENTUCKY, AS ALL ACROSS AMERICA, I SAY LET'S NOT BLOW IT. LET'S NOT PERMIT THIS OPPORTUNITY FOR GENUINE AND LASTING REALIGNMENT TO SLIP THROUGH OUR FINGERS. PEOPLE WILL VOTE FOR HOPE. WE MUST GIVE IT TO THEM. WE MUST CONVINCE THEM THAT REPUBLICANS CARE MORE FOR PEOPLE THAN PROFITS. WE MUST ADVOCATE, NOT GREED, BUT PERSONAL GROWTH, NOT INDIVIDUAL SELFISHNESS BUT INDIVIDUAL SELF-REALIZATION.

WE MUST GIVE THEM IDEAS TO CLING TO, INNOVATIVE IDEAS THAT BEAR NO RESEMBLANCE TO THE OLD DEMOCRATIC CONCEPT OF GOVERNMENT AS ALL-KNOWING ARBITER OF PRIVATE AND PUBLIC LIFE. AND THEN WE MUST GO OUT AND CONVINCE THEM THAT WE CAN PUT THESE IDEAS INTO PRACTICE.

IN THE WORDS OF ABRAHAM LINCOLN, "WE MUST DISENTHRAL OURSELVES, AND THEN WE SHALL SAVE OUR COUNTRY."

A NEW HOOVER COMMISSION

THE AMERICAN ECONOMY MUST BE FREED AS MUCH AS POSSIBLE FROM EXCESSIVE REGULATION, AND OPENED TO ALL WHO WOULD TRANSLATE THEIR TALENTS INTO SELF-SUPPORT. I'VE SUGGESTED A NEW HOOVER COMMISSION, PATTERNED ON THE TWO CREATED AFTER WORLD WAR II, WHICH TOGETHER SAVED AMERICAN TAXPAYERS BETWEEN \$8 AND \$12 BILLION IN NEEDLESS BUREAUCRACY.

-10-

SUCH A COMMISSION WOULD BE EMPOWERED TO INVESTIGATE AND RECOMMEND CHANGES IN THE BEWILDERING ARRAY OF BOARDS, COMMISSIONS, COMMITTEES, BLUE RIBBON PANELS AND JUST PLAIN BOONDOGGLES THAT CURRENTLY PASS FOR A REGULATORY SYSTEM IN AMERICA. AND TO HEAD SUCH A COMMISSION, I HAVE PROPOSED THE ONE MAN WHO CARRIES THE UNIQUE PRESTIGE AND INFLUENCE ACCORDED PRESIDENT HOOVER IN 1947. I WAS HONORED TO RUN WITH GERALD FORD IN 1976, AND I CAN TELL YOU FROM INTIMATE KNOWLEDGE THAT NO ONE WOULD MAKE A FINER LEADER FOR THIS CAMPAIGN AGAINST THE BUREAUCRATIC CRUSADERS.

A MANDATED BALANCED BUDGET

AND IF REGULATION CAN BE REGULATED, THEN SO CAN THE FEDERAL BUDGET. I'VE INTRODUCED A CONSTITUTIONAL AMENDMENT THAT WOULD MANDATE A BALANCED BUDGET AND RESPONSIBLY REDUCE FEDERAL SPENDING TO 18 PERCENT OF THE GNP. MY AMENDMENT WOULD ALLOW FOR FLEXIBILITY--FOR AN UNBALANCED BUDGET, IF NECESSARY, IN TWO OUT OF EVERY FIVE YEARS.

-11-

IT WOULD PERMIT SPENDING TO RISE ABOVE THIS 18 PERCENT LIMIT IF 2/3 OF THE CONGRESS WERE WILLING TO VOTE FOR SUCH A RISE. NEEDLESS TO SAY, IN TIMES OF NATIONAL EMERGENCY, WHETHER MILITARY OR ECONOMIC, THE FEDERAL BUDGET WOULD NOT BE TRAPPED BY UNREALISTIC DEMANDS.

SUCH AN AMENDMENT WOULD SET FORTH, ONCE AND FOR ALL, THE POLICY OF THE AMERICAN GOVERNMENT NOT TO BURDEN GENERATIONS YET UNBORN WITH A HEAVY LOAD OF DEBT SERVICE, NOR WEAKEN THE DOMESTIC ECONOMY BY DRAWING OFF CAPITAL AND UNDERMINING THE DOLLAR AT HOME AND ABROAD.

I PREFER TO SEE MY AMENDMENT ADOPTED BY TRADITIONAL MEANS. BUT IF CONGRESS IS UNWILLING TO ACCEPT WHAT THE AMERICAN PEOPLE WANT, I CANNOT HIDE BEHIND LEGALISTIC FEARS ABOUT THE POSSIBLE PROBLEMS OF A CONSTITUTIONAL CONVENTION. TO DO SO WOULD BE A TRIUMPH OF TIMIDITY OVER COURAGE. IT WOULD BE DISHONEST POLITICS AND DANGEROUS ECONOMICS.

WE REPUBLICANS MUST MAKE THIS ISSUE OUR OWN. IF THERE ARE PROBLEMS WITH A CONVENTION, LET'S SOLVE THEM. BUT, WHATEVER WE DO, LET'S NOT BE AFRAID TO PROPOSE A NEW OR UNUSUAL SOLUTION TO AN OLD AND DEADLY PROBLEM. THIS IS A KEY TEST OF OUR ABILITY TO LEAD. THE AMERICAN PEOPLE WANT AN END TO GOVERNMENT'S GREEDY DEMANDS. THEY WANT A DOLLAR THAT IS SOUND AND THEY INSIST THAT THEIR POLITICAL SYSTEM DO MORE THAN MAKE SOOTHING RHETORICAL NOISES.

IF THE CONGRESS WON'T RESPOND TO THE TAXPAYER REVOLT, THEN THE CONSTITUTIONAL MACHINERY ITSELF MUST. WE CAN ARGUE OVER SPECIFICS OF SPENDING AND TAX CAPS. WE CAN ARGUE ABOUT THE NEED TO LIMIT ANY CONVENTION'S MANDATE.

BUT WHY THIS FEAR, NAMELESS, BLINDING, ALMOST IRRATIONAL, ABOUT THE POTENTIAL SUICIDAL IMPULSES OF A NEW CONSTITUTIONAL CONVENTION? IT WAS GEORGE WASHINGTON, WHOSE BIRTHDAY WE CELEBRATE THIS WEEK, WHO SAID IN HIS FAMOUS FAREWELL ADDRESS TO THE AMERICAN PEOPLE:

"THE BASIS OF OUR POLITICAL SYSTEMS IS THE RIGHT OF THE PEOPLE TO MAKE AND TO ALTER THEIR CONSTITUTIONS OF GOVERNMENT."

-13-

185 YEARS AFTER OUR FIRST PRESIDENT MADE THAT STATEMENT, I REGARD IT AS RELEVANT STILL. GOD FORBID THE DAY WHEN WE SO DISTRUST OUR POLITICAL INSTINCTS, AND THE PATRIOTISM OF OUR CITIZENRY, AS TO WITHDRAW IN HORROR AT THE PROSPECT OF DEMOCRATIC ADJUSTMENT OF GOVERNMENT'S FRAMEWORK.

REFORMING THE TAX SYSTEM

GOVERNMENT IS ENDLESSLY RESOURCEFUL WHEN IT COMES TO THINKING UP WAYS TO TAX YOUR DOLLARS. IT IS FAR LESS RESOURCEFUL REGARDING TAX RELIEF. FOR INSTANCE, ONE OF THE GREAT SCANDALS AFFECTING THIS NATION'S TAX SYSTEM PERMITS PEOPLE WHOSE INCOME FUELED BY INFLATION INTO A HIGHER TAX BRACKET, TO BE PENALIZED BY PAYING HIGHER TAXES ON ESSENTIALLY PHONY DOLLARS. THEN, FROM TIME TO TIME, A POLITICALLY AWARE CONGRESS ANNOUNCES WITH SUITABLE FANFARE ITS PLANS TO "CUT" TAXES AND THEREBY REAP THE GRATITUDE OF MIDDLE CLASS AMERICA. THIS IS PRECISELY WHAT HAPPENED LAST FALL, JUST IN TIME FOR ELECTION DAY.

-14-

NOW I LIKE TO VOTE AGAINST TAXES AS MUCH AS ANYONE, BUT I DON'T LIKE THE BASIC DISHONESTY OF THE CURRENT TAX CODE. THAT'S WHY I'M PROPOSING THAT WE ADOPT A NATIONAL SYSTEM OF TAX INDEXING, WHICH WOULD TIE THE WITHHOLDING RATES DIRECTLY TO THE CONSUMER PRICE INDEX. IF YOU WERE PUSHED BY INFLATION INTO A HIGHER BRACKET, YOU WOULDN'T HAVE TO PAY TWICE.

FINALLY, THE ISSUE OF NATIONAL HEALTH INSURANCE WILL COME BEFORE THE CONGRESS AGAIN THIS YEAR. WE FIND OURSELVES WALKING A TIGHTROPE BETWEEN DEMONSTRATED NEED AND ECONOMIC STRINGENCY. THERE ARE GAPS IN THE EXISTING SYSTEM, GAPS WHICH, IN THE EVENT OF CATASTROPHIC ILLNESS, CAN THREATEN EVEN THE UPPER MIDDLE CLASS FAMILY WITH FINANCIAL DEVASTATION. AT THE SAME TIME, DO WE SERIOUSLY BELIEVE THAT THE RESOURCES ARE AVAILABLE FOR ANYTHING RESEMBLING SENATOR KENNEDY'S CRADLE-TO-GRAVE APPROACH.

-15-

I DO NOT, BUT BECAUSE WE ARE LIMITED DOES NOT MEAN WE ARE PRECLUDED FROM DOING ANYTHING CREATIVE OR CONSTRUCTIVE. I WILL BE INTRODUCING MY OWN PLAN FOR HEALTH INSURANCE SHORTLY, AND IT WILL STRESS THE NEED TO FILL THE PRESENT HOLES, WHILE RETAINING AS MUCH AS POSSIBLE THE SPECIAL SKILLS AND ADMINISTRATIVE ABILITIES OF THE PRIVATE MEDICAL SYSTEM.

HERE AS ELSEWHERE, KENTUCKY REPUBLICANS WILL BE ASKED TO CHOOSE. LIFE, LIKE GOVERNMENT ITSELF, IS IMPERFECT, AND POLITICS IS AN INCREMENTAL ART. YOU TAKE THE BEST SOLUTION YOU CAN GET, OR RUN THE RISK OF NO SOLUTION AT ALL. I BELIEVE THIS IS THE BEST APPROACH TO MEETING THE UNMET HEALTH NEEDS OF AMERICA, SHORT OF BANKRUPTING AN ALREADY OVERTAXED, OVERREGULATED ECONOMY.

-16-

THE GREAT NEW ENGLAND POET, ROBERT FROST, ONCE WROTE A POEM
ABOUT THE AGONY OF CHOICE. HE CALLED IT "THE ROAD NOT TAKEN",
AND HIS ADVICE HOLDS TRUE FOR NATIONS AS WELL AS INDIVIDUALS:

TWO ROADS DIVERGED IN A WOOD, AND I-
I TOOK THE ONE LESS TRAVELED BY,
AND THAT HAS MADE ALL THE DIFFERENCE.

AS A PARTY AND A NATION, WE STAND TODAY AT A CROSSROADS OF
CHANGE. LIKE FROST'S TRAVELER, WE MIGHT LIKE TO TRAVEL BOTH,
TO HAVE THE GOOD LIFE WITHOUT COST, TO SPEND MORE THAN WE EARN,
TO PROMISE PEOPLE THE MOON AND THE STARS INSTEAD OF WORLDLY REALITY.

BUT THE ROADS DIVERGE, AND WE MUST CHOOSE. DO WE OPT FOR MORE
OF THE SAME, FOR GOVERNMENT BY CHARGE CARD, FOR THE SLOW, STEADY
EROSION OF INDIVIDUAL OPPORTUNITY? DO WE ABANDON OUR ECONOMY
TO GOVERNMENT'S GOOD INTENTIONS AND STUMBLING CAPACITIES? OR
DO WE CHOOSE THE ROAD LESS TAKEN, MAKING FREE ENTERPRISE TRULY
FREE, OPENING DOORS TO EQUAL PARTICIPATION IN THE AMERICAN
SUCCESS STORY? THE CHOICE MUST BE MADE. THE CHOICE IS YOURS.
WHAT WILL IT BE?

Has Roger -- Ford - Dole
Num ..
Runyon

1. Has me in book ?
2. Series on Ford - Dole
3. Book -- "Welcome Dole"
4. London .. Howard Shubert -
5. Ch. of Party - Watergate
6. Ten year. mission - W. A. ...

{ Long Huphin
Tom Lee Carter
Sam Snyder

REMARKS OF SENATOR BOB DOLE

LINCOLN CLUB OF KENTUCKY LINCOLN DAY DINNER

LOUISVILLE, KENTUCKY

FEBRUARY 24, 1979

Let me begin by telling you how honored I am by your invitation, and how pleased I am that I was able to escape snowbound Washington and be with you tonight. As you may know, the Capitol has been paralyzed for nearly a week. Now that's nothing new, except when the weather is the cause. Indeed, if I might borrow a somewhat controversial paraphrase from President Carter, I'd even say that we've been hit with Jack Frost's revenge.

But this is Kentucky, not Washington. Here common sense is still the preferred school of thought. That bodes well for everyone in this room; it bespeaks a larger trend that is marching all across the landscape of this nation we love.

The time has come to talk common sense to the American people. The hour has arrived when nothing less will do. Let's not make any promises we cannot keep, but let's not be afraid to promise something better than the present Administration has been able to give us.

As I stand before you this evening, we have in the White House a man who congratulates himself on turning in a budget \$29 billion in the red. We have a government structure that spends 38 percent of the entire gross national product. We operate a federal budget that has grown sixfold in less than a generation, and a national debt that is fast approaching a trillion dollars.

This year alone, the people of the United States will spend more on debt interest--\$60 billion in all--than on energy, foreign aid, revenue sharing, science and technology, pollution control, agriculture, civil service retirement and community and regional development to cities such as Louisville.

And the deadening effects of big government don't end there. American consumers will pay an additional hundred billion dollars in 1979 because government has burdened us with a top-heavy and counterproductive regulatory system that is so used to saying no that it overlooks what it's doing to the very underpinnings of free enterprise.

Today, over 80 regulatory agencies and more than 100,000 federal workers have as their sole function telling other Americans what government has said they cannot do. The Office of Management and Budget has estimated the cost of such regulation as high as \$130 billion--roughly equal to \$2,000 for every American family. That's enough to provide every American with a year's supply of free groceries.

JIMMY CARTER'S HOUSE OF CARDS

Now, it's true that at times we Republicans have gotten hung up on numbers. Perhaps we've been so concerned with the arithmetic of federal irresponsibility that we haven't always conveyed our grasp of the personal consequences. We've talked about competence instead of compassion, without realizing that government must combine both to be good.

But consider the alternative--this state's great hero, Abraham Lincoln, said you can't fool all of the people all of the time. President Carter agrees; he'll settle for a simple majority. The President hopes to convince enough Americans that the liberal Democrat they elected in 1976, the man who assailed President Ford's economic policies as unjust to the workingman and woman, the social experimenter who promised national health insurance and a complete overhaul of the welfare scandal, the efficiency expert who guaranteed a balanced budget by 1980--has changed his stripes and--presto--has become a closet Republican.

But Jimmy Carter has a problem; his party is falling apart. Ever since the Great Depression, its left wing has refused to accept any deviation from a platform of redistribution of wealth. Even today, in the face of growing outrage from the nation's taxpayers, these visionaries turned mossbacks are content to go on promising benefits from a seemingly inexhaustible well, without asking for the exertion we believe forms the foundation of economic and political freedom.

The President knows this. He knows he must paper over the cracks that are rapidly undermining his house of cards. That's why he points with pride to a \$29 billion deficit. That's why he buries his head in the sand of foreign policy, overlooking the turmoil in Iran, the ongoing penetration of Africa and the Persian Gulf by Soviet and Cuban forces. That's why he proclaims recognition of the People's Republic of China to be the political millennium. I, too, think it politically dangerous to ignore nearly a billion people. But is it necessary to sacrifice a good friend and valued ally in doing so? Is it reasonable, is it right, to turn our backs on Taiwan precisely when American prestige is at an all time low? Moreover, the current invasion of North Vietnam by Chinese forces raises serious questions about our new found relationship. What have we given up? What have we gotten?

In domestic policy, Mr. Carter promises his left wing critics a little more New Deal. Then he speaks of economy. He proclaims a new foundation, without realizing that his economic policies are making the whole house fall down.

But criticism comes cheap. These days of double digit inflation, it may be the only thing that does. The American people have had enough of mere partisanship. They are tired of slogans in place of solutions. They are turned off to most politicians, and they will stay that way until we give them something more exciting than denunciations of red ink and red tape.

It is not enough for we Republicans to denounce government as too big or too remote. We must also reject it when it becomes too unfeeling or too paternalistic. Under the guise of liberal concern, modern government places millions of people in lifelong dependency. It cares little for opening up the economy and stimulating entrepreneurial spirit--that would create jobs and free people from its grip. Instead, it operates upon the conviction that 20th century man requires direction from above.

That's not my vision of America. Neither is it yours. Our America doesn't promise to redistribute all wealth equally. Instead, our America believes that every man and woman should have an equal chance at earning wealth. Our America believes that jobs are better than handouts, and the only lasting jobs, the kind that form the economic foundation of Kentucky, are best created by private, not public means.

Our America believes in economic expansion instead of regulatory retreat. Our America would keep its word to allies abroad as well as to the people at home.

And we are not alone. That's what makes this year's round of Lincoln Day dinners something more exciting than the ritualistic proclamations of victory in the uncertain future.

The American people don't want Jimmy Carter's new foundation, they want an old faith. They want a government that can be respected for its competence as well as its honesty, a government that respects and encourages their individual aspirations for success. They want to be independent of government. They want the independence that comes with a weekly paycheck, the independence that enables a family to feed and clothe itself, to live in a house of their own choosing, to send their children to a school of their choice. That's what we Republicans want, too.

To Republicans in Kentucky, as all across America, I say let's not blow it. Let's not permit this opportunity for genuine and lasting realignment to slip through our fingers. People will vote for hope. We must give it to them. We must convince them that Republicans care more for people than profits. We must advocate, not greed, but personal growth, not individual selfishness but individual self-realization.

We must give them ideas to cling to, innovative ideas that bear no resemblance to the old democratic concept of government as all-knowing arbiter of private and public life. And then we must go out and convince them that we can put these ideas into practice.

In the words of Abraham Lincoln, "We must disenthral ourselves, and then we shall save our country."

A NEW HOOVER COMMISSION

The American economy must be freed as much as possible from excessive regulation, and opened to all who would translate their talents into self-support. I've suggested a new Hoover Commission, patterned on the two created after World War II, which together saved American taxpayers between \$8 and \$12 billion in needless bureaucracy.

-3-

Such a Commission would be empowered to investigate and recommend changes in the bewildering array of boards, commissions, committees, blue ribbon panels and just plain boondoggles that currently pass for a regulatory system in America. And to head such a commission, I have proposed the one man who carries the unique prestige and influence accorded President Hoover in 1947. I was honored to run with Gerald Ford in 1976, and I can tell you from intimate knowledge that no one would make a finer leader for this campaign against the bureaucratic crusaders.

A MANDATED BALANCED BUDGET

And if regulation can be regulated, then so can the federal budget. I've introduced a constitutional amendment that would mandate a balanced budget and responsibly reduce federal spending to 18 percent of the GNP. My amendment would allow for flexibility--for an unbalanced budget, if necessary, in two out of every five years.

It would permit spending to rise above this 19 percent limit if 2/3 of the Congress were willing to vote for such a rise. Needless to say, in times of national emergency, whether military or economic, the federal budget would not be trapped by unrealistic demands.

Such an amendment would set forth, once and for all, the policy of the American government not to burden generations yet unborn with a heavy load of debt service, nor weaken the domestic economy by drawing off capital and undermining the dollar at home and abroad.

I prefer to see my amendment adopted by traditional means. But if Congress is unwilling to accept what the American people want, I cannot hide behind legalistic fears about the possible problems of a constitutional convention. To do so would be a triumph of timidity over courage. It would be dishonest politics and dangerous economics.

We Republicans must make this issue our own. If there are problems with a convention, let's solve them. But, whatever we do, let's not be afraid to propose a new or unusual solution to an old and deadly problem. This is a key test of our ability to lead. The American people want an end to government's greedy demands. They want a dollar that is sound and they insist that their political system do more than make soothing rhetorical noises.

If the Congress won't respond to the taxpayer revolt, then the constitutional machinery itself must. We can argue over specifics of spending and tax caps. We can argue about the need to limit any convention's mandate.

But why this fear, nameless, blinding, almost irrational, about the potential suicidal impulses of a new constitutional convention? It was George Washington, whose birthday we celebrate this week, who said in his famous farewell address to the American people:

"The basis of our political systems is the right of the people to make and to alter constitutions of government."

185 years after our first president made that statement, I regard it as relevant still. God forbid the day when we so distrust our political instincts, and the patriotism of our citizenry, as to withdraw in horror at the prospect of democratic adjustment of government's framework.

REFORMING THE TAX SYSTEM

Government is endlessly resourceful when it comes to thinking up ways to tax your dollars. It is far less resourceful regarding tax relief. For instance, one of the great scandals affecting this nation's tax system permits people whose income fueled by inflation into a higher tax bracket, to be penalized by paying higher taxes on essentially phony dollars. Then, from time to time, a politically aware Congress announces with suitable fanfare its plans to "cut" taxes and thereby reap the gratitude of middle class America. This is precisely what happened last fall, just in time for election day.

Now I like to vote against taxes as much as anyone, but I don't like the basic dishonesty of the current tax code. That's why I'm proposing that we adopt a national system of tax indexing, which would tie the withholding rates directly to the consumer price index. If you were pushed by inflation into a higher bracket, you wouldn't have to pay twice.

Finally, the issue of national health insurance will come before the Congress again this year. We find ourselves walking a tightrope between demonstrated need and economic stringency. There are gaps in the existing system, gaps which, in the event of catastrophic illness, can threaten even the upper middle class family with financial devastation. At the same time, do we seriously believe that the resources are available for anything resembling Senator Kennedy's cradle-to-grave approach.

I do not. But because we are limited does not mean we are precluded from doing anything creative or constructive. I will be introducing my own plan for health insurance shortly, and it will stress the need to fill the present holes, while retaining as much as possible the special skills and administrative abilities of the private medical system.

Here as elsewhere, Kentucky Republicans will be asked to choose. Life, like government itself, is imperfect, and politics is an incremental art. You take the best solution you can get, or run the risk of no solution at all. I believe this is the best approach to meeting the unmet health needs of America, short of bankrupting an already overtaxed, overregulated economy.

The great New England poet, Robert Frost, once wrote a poem about the agony of choice. He called it "The Road Not Taken", and his advice holds true for nations as well as individuals:

Two roads diverged in a wood, and I-
I took the one less traveled by,
And that has made all the difference.

As a party and a nation, we stand today at a crossroad of change. Like Frost's traveler, we might like to travel both, to have the good life without cost, to spend more than we earn, to promise people the moon and the stars instead of worldly reality.

But the roads diverge, and we must choose. Do we opt for more of the same, for government by charge card, for the slow, steady erosion of individual opportunity? Do we abandon our economy to government's good intentions and stumbling capacities? Or do we choose the road less taken, making free enterprise truly free, opening doors to equal participation in the American success story? The choice must be made. The choice is yours. What will it be?