

REMARKS OF HONORABLE BOB DOLE
BALTIMORE COUNTY REPUBLICAN DINNER
EASTWIND RESTAURANT
BALTIMORE, MARYLAND
TUESDAY, SEPTEMBER 16, 1969

IN 1962, I ADDRESSED THE BALTIMORE COUNTY REPUBLICAN CENTRAL COMMITTEE AT A LINCOLN DAY DINNER. EIGHT YEARS HAVE PASSED, AND THE FORTUNES OF THE REPUBLICAN PARTY IN MARYLAND AND THE NATION HAVE STEADILY RISEN.

TODAY, WE HAVE A REPUBLICAN PRESIDENT, AND MARYLAND HAS A YOUNG REPUBLICAN SENATOR, MAC MATHIAS, WHOM I SERVED WITH FOR 8 YEARS IN THE HOUSE; FOUR REPUBLICAN CONGRESSMEN -- LARRY HOGAN, GLEN BEALL, GIL GUDE, AND ROG MORTON, WHO IS ALSO THE REPUBLICAN NATIONAL CHAIRMAN.

AT THAT DINNER IN 1962, I WAS UNABLE TO MEET A MAN I WAS TOLD HAD A BRIGHT FUTURE IN THE REPUBLICAN PARTY. HE HAD RECENTLY DECIDED TO BECOME A CANDIDATE FOR COUNTY EXECUTIVE IN BALTIMORE COUNTY, AN ALMOST UNHEARD OF THING. THAT MAN, TED AGNEW, IS NOW VICE PRESIDENT.

-2-

BEING A HOMETOWN BOY, TED AGNEW IS UNDOUBTEDLY OF INTEREST TO YOU. AS A SENATOR WHO HAS FREQUENT CONTACT WITH THE VICE PRESIDENT, I CAN SAY WE ARE GLAD HE WAS ELECTED IN 1962. HISTORICALLY, THE VICE PRESIDENT'S ONLY CLEARLY DEFINED DUTY HAS BEEN TO PRESIDE OVER THE SENATE, BUT PRESIDENT EISENHOWER RECOGNIZED THE NEED FOR GIVING THE VICE PRESIDENT A GREATER ROLE IN THE FORMULATION AND EXECUTION OF POLICY. PRESIDENT NIXON HAS CARRIED THIS POLICY ONE STEP FURTHER. VICE PRESIDENT AGNEW WAS MADE A MEMBER OF THE NEWLY CREATED URBAN AFFAIRS COUNCIL AND THE COUNCIL ON ENVIRONMENTAL QUALITY. TED AGNEW BROUGHT A UNIQUE BACKGROUND TO THE VICE PRESIDENCY. HE HAS SERVED IN BOTH LOCAL AND STATE GOVERNMENT AND IS THE FIRST FORMER GOVERNOR TO BE A VICE PRESIDENT IN 50 YEARS. IN THE SENATE, HE HAS DEMONSTRATED A SINCERE INTEREST IN MEETING HIS RESPONSIBILITIES TO THE SENATE. HIS QUIET BUT EFFECTIVE MANNER HAS IMPRESSED EVEN HIS CRITICS.

-3-

I RECALL ON ONE OCCASION, WHEN VICE PRESIDENT AGNEW WAS LEARNING THE TECHNICAL RULES OF SENATE PROCEDURE, HIS DEDICATION TO DUTY BECAME EVIDENT. DURING A SESSION OF LAUDATORY REMARKS PRAISING HIS PERFORMANCE AS THE NEW PRESIDENT OF THE SENATE, HE INTERRUPTED THE STATEMENTS BY INFORMING THE SENATOR WHO WAS SPEAKING THAT HIS TIME HAD EXPIRED ---- THUS RELINQUISHING AN OPPORTUNITY TO BASK IN THE STATEMENTS REFLECTING THE HIGH REGARD AND THE GREAT RESPECT IN WHICH HE IS HELD.

IN 1958, ANOTHER VICE PRESIDENT WAS ASKED TO REPRESENT THE UNITED STATES AT THE INAUGURATION OF PRESIDENT FRONDISI OF ARGENTINA. AS PART OF HIS VISIT TO SOUTH AMERICA, VICE PRESIDENT NIXON STOPPED IN CARACAS, VENEZUELA. YOU WILL UNDOUBTEDLY RECALL THE UNPLEASANT RECEPTION HE RECEIVED AS A RESULT OF COMMUNIST AGITATION. AT ONE

-4-

POINT, WHEN THE AUTOMOBILE IN WHICH HE AND MRS. NIXON WERE RIDING HAD BEEN PELTED BY ROCKS AND THE WINDOWS SHATTERED, A MOB BEGAN TO ROCK THEIR CAR IN HOPES OF TURNING IT OVER. THE TWO SECRET SERVICE-MEN IN CHARGE PULLED THEIR REVOLVERS AND WERE READY TO FIRE. REAL-IZING THAT THE MOB WAS SEEKING TO PROVOKE AN INCIDENT, VICE PRESIDENT NIXON TOLD THEM TO PUT THEIR REVOLVERS AWAY. HIS DECISION, WHICH DEMONSTRATED HIS COURAGE IN THE FACE OF GREAT PHYSICAL DANGER, WAS CORRECT, FOR SUDDENLY THEIR AUTOMOBILE MOVED OUT OF THE CROWD AND WAS ABLE TO LEAVE THE ATTACKERS BEHIND.

TODAY, AS PRESIDENT, RICHARD NIXON IS DEMONSTRATING A DIFFER-ENT KIND OF COURAGE. HE IS MAKING THE HARD DECISIONS NECESSARY TO MEET THE CHALLENGE OF THE 1970'S.

-5-

UPON TAKING OFFICE JANUARY 20, PRESIDENT NIXON WAS CONFRONTED WITH NUMEROUS PROBLEMS. THE WAR IN VIETNAM CONTINUED TO FRUSTRATE AND DIVIDE THE AMERICAN PEOPLE. INFLATION WAS TAKING ITS TOLL ON THE PURCHASING POWER OF THE ELDERLY AND OTHERS ON FIXED INCOME. DOMESTIC UNREST, CRIME AND RACIAL INJUSTICE THREATENED OUR CITIES. BUT THE MOST CRITICAL PROBLEM WAS THE PERVASIVE AND GROWING SENSE THAT GOVERNMENT HAD STAGNATED AND WAS UNABLE TO MOVE TOWARD EFFECTIVE SOLUTIONS TO THESE PROBLEMS.

THE FEELING COULD BE FOUND IN ALL AGE GROUPS, AT ALL POINTS ON THE IDEOLOGICAL SPECTRUM, AND IN ALL PARTS OF THE COUNTRY. IT WAS VARIOUSLY DESCRIBED AS A LOSS OF MORALE, A CRISIS IN CONFIDENCE, AN EROSION OF CREDIBILITY. IT EXPRESSED ITSELF IN A PUBLIC RELUCTANCE TO TRUST INSTITUTIONS, TO BELIEVE IN POLITICAL LEADERS, OR TO WAIT PATIENTLY FOR ACHIEVEMENT.

-6-

THE MOST IMPORTANT CHALLENGE FOR THE NEW NIXON ADMINISTRATION LAST JANUARY, THEN, WAS TO RESTORE POPULAR FAITH IN THE EFFECTIVENESS OF GOVERNMENT. ITS CENTRAL TASK WAS TO MAKE THE GOVERNMENT WORK AGAIN, ENABLING IT TO LIVE UP TO ITS PROMISES. IN ORDER TO ACCOMPLISH THIS GOAL, THE NEW ADMINISTRATION CLEARLY WOULD HAVE TO GIVE MORE ATTENTION TO DEEDS AND LESS ATTENTION TO WORDS. IT WOULD HAVE TO WORRY LESS ABOUT ENGINEERING PUBLIC OPINION AND MORE ABOUT ENGINEERING THE MACHINERY OF GOVERNMENT. THE NIXON ADMINISTRATION HAS DONE THIS.

-7-

VIETNAM WAR

IN THE FIRST PLACE, AND MOST IMPORTANTLY, THE NIXON ADMINISTRATION HAS DEVELOPED AN EFFECTIVE STRATEGY FOR PEACE. AND THE FRUITS OF THAT STRATEGY ARE ALREADY APPARENT.

IN VIETNAM, THE TIDE HAS FINALLY BEEN REVERSED. THE QUESTION IS NO LONGER HOW FAST OUR DIRECT INVOLVEMENT IN THE WAR WILL ESCALATE, BUT RATHER HOW RAPIDLY IT WILL BE CONTRACTED.

ADMITTEDLY, THE PARIS PEACE NEGOTIATIONS HAVE STALLED, BUT PRESIDENT NIXON ADVANCED GENEROUS GROUNDS FOR COMPROMISE IN HIS MAY 14 SPEECH AND SUBSEQUENTLY HAS WITHDRAWN A SIGNIFICANT NUMBER OF AMERICAN TROOPS. THERE HAS BEEN NO RESPONSE FROM THE NORTH VIETNAMESE. PRESIDENT THIEU HAS OFFERED TO ENGAGE IN INTERNATIONALLY SUPERVISED ELECTIONS. THERE HAS BEEN NO RESPONSE FROM THE VIET CONG.

-8-

DESPITE OUR INABILITY TO REACH AGREEMENT IN PARIS, THE NIXON ADMINISTRATION HAS REVERSED THE COURSE OF AMERICAN INVOLVEMENT IN SOUTH VIETNAM. AFTER LONG YEARS OF STEADY TROOP INCREASES, PRESIDENT NIXON HAS BEGUN TO BRING OUR BOYS HOME. JUST TODAY THE PRESIDENT ANNOUNCED WITHDRAWAL OF AN ADDITIONAL 35,000 TROOPS. INCREASED EFFORTS ARE BEING MADE TO PROVIDE ADEQUATE TRAINING AND MATERIAL TO THE SOUTH VIETNAMESE SO THEY WILL BE PREPARED TO CONTINUE FIGHTING IF AN ACCEPTABLE PEACE SETTLEMENT CANNOT BE REACHED. ALTHOUGH WE ALL HOPE FOR FURTHER WITHDRAWALS, I WOULD POINT OUT TO THE CRITICS THAT NO PRESIDENT CAN EFFECT AN IMMEDIATE WITHDRAWAL OF ALL TROOPS FROM A COMBAT ZONE.

MORE IMPORTANT FOR THE FUTURE COURSE OF AMERICAN FOREIGN POLICY IS THE SHIFT IN EMPHASIS FROM CRISIS MANAGEMENT TO CRISIS PREVENTION ---- ANTICIPATING TROUBLE, RATHER THAN MERELY RESPONDING TO IT. THE UNITED STATES CANNOT AFFORD MORE VIETNAMS. ONLY THROUGH

-9-

AN ORGANIZED, LONG RANGE APPROACH TO THE DEVELOPMENT OF OUR FOREIGN POLICY CAN WE BE ASSURED WE WILL NOT MAKE HARMFUL MISCALCULATIONS IN THE FUTURE.

BALANCED DEFENSE

TO EFFECTIVELY PURSUE PEACE AND KEEP IT REQUIRES A BALANCED AND SUFFICIENT DEFENSE CAPABILITY -- ONE WHICH DETERS BUT DOES NOT PROVOKE -- ONE WHICH IS NOT ONLY POWERFUL BUT ALSO MANAGEABLE AND EFFICIENT. THIS THE PRESIDENT IS PROVIDING, DESPITE ALLUSIONS OF OPPONENTS TO THE SINISTER INFLUENCE OF THE MILITARY INDUSTRIAL COMPLEX. AS PRESIDENT NIXON HAS RESISTED THOSE WHO CALL FOR MUCH GREATER WEAPONS, SO TO HE HAS RESISTED THOSE WHO CALL FOR TOO FEW.

-10-

WE ALL AGREE THE MILITARY CANNOT SET OUR NATION'S PRIORITIES AND GOALS. WE ALL AGREE THERE ARE UNMET DOMESTIC NEEDS. BUT, IF AMERICA LACKS AN EFFECTIVE NUCLEAR DETERRENT DEFENSE, THE STABILITY OF WORLD ORDER WOULD BE SHAKEN, AND THE CHANCES FOR PEACE BROKEN.

INFLATION

ONE OF THE SERIOUS DIFFICULTIES FACED BY THE NIXON ADMINISTRATION UPON TAKING OFFICE WAS THE RAPIDLY INCREASING RATE OF INFLATION. AT HOME, THE CONSUMER SAW PRICES RISE 18 PERCENT IN THE LAST 5 YEARS; 26 PERCENT IN THE LAST 10 YEARS. A DOLLAR IS NOW REQUIRED TO BUY WHAT 38 CENTS WOULD HAVE BOUGHT IN 1939. ABROAD, THE STRENGTH OF THE DOLLAR WAS THREATENED AND OUR BALANCE OF PAYMENTS DEFICIT PERSISTED.

INFLATION HAS CAUSED SEVERE SOCIAL AND ECONOMIC DAMAGES. IT IS THE MOST REGRESSIVE TAX OF ALL, HURTING MOST THE PEOPLE ON FIXED INCOMES WHO CAN LEAST AFFORD IT.

-11-

AN INTERESTING OBSERVATION WAS MADE BY PAUL MC CRACKEN, CHAIRMAN OF THE PRESIDENT'S COUNCIL OF ECONOMIC ADVISORS. HE POINTED OUT THAT INFLATION HAS HAD A SOCIALLY DISINTEGRATING EFFECT THROUGH ITS TENDENCIES TO ESCALATE GROUP TENSIONS. LABOR RECOGNIZES THAT AFTER PRICE INCREASES, REAL WEEKLY WAGES HAVE INCREASED ONLY 1.8 PERCENT IN THE LAST 3 YEARS. THE UNIONS THEREFORE SEEK TO EXTRACT GREATER WAGE INCREASES IN ANTICIPATION OF THE RISING COST OF LIVING. THE BUSINESSMAN, BEING HARRASSED BY WAGE DEMANDS THAT WILL INCREASE HIS COSTS, SEES THE PROBLEM AS UNION POWER. THUS, INFLATION HAS SET LABOR AGAINST MANAGEMENT WITH EACH SIDE BLAMING THE OTHER.

THE CONSUMER IS CAUGHT INBETWEEN AND BLAMES BOTH LABOR AND BUSINESS.

-12-

THE ADMINISTRATION ADOPTED AN ECONOMIC POLICY OF "GRADUALISM" -- POLICY ACTIONS IN BOTH THE FISCAL AND MONETARY AREAS THAT WERE DESIGNED TO GRADUALLY SLOW THE RATE OF GROWTH IN THE ECONOMY WITHOUT UNACCEPTABLE LEVELS OF UNEMPLOYMENT. SOON AFTER TAKING OFFICE, THE PRESIDENT ANNOUNCED A \$4 BILLION CUT IN THE FISCAL 1970 BUDGET AND OTHER REDUCTIONS HAVE FOLLOWED.

HE FOUGHT SUCCESSFULLY FOR THE SURTAX EXTENSION AND HAS ENCOURAGED -- AND OBTAINED -- A SLOWDOWN IN THE MONEY SUPPLY'S GROWTH. IN AN ATTEMPT TO COMBAT RISING CONSTRUCTION COSTS, A 75% REDUCTION IN NEW CONTRACTS FOR PUBLIC WORKS, OR FEDERAL CONSTRUCTION, WAS ANNOUNCED.

THESE MEASURES HAVE NOT BEEN POPULAR, BUT THEY WERE NECESSARY BECAUSE OF THE 37.8 BILLION DOLLARS OF DEFICIT SPENDING IN THE LAST YEARS OF THE JOHNSON ADMINISTRATION.

-13-

THE ANTI-INFLATION MEASURES WILL NOT TAKE HOLD IMMEDIATELY. WE HAVE ALLOWED INFLATION TO RUN UNCHECKED FOR TOO LONG. IN SUCH A COMPLICATED, SOPHISTICATED, AND MASSIVE ECONOMY AS OURS, A RETAIL PRICE DECLINE WILL NOT TAKE PLACE UNTIL THERE HAVE BEEN TIME-CONSUMING READJUSTMENTS.

THERE ARE HOPEFUL INDICATIONS THAT THE NECESSARY READJUSTMENTS ARE TAKING PLACE AND THE PRICE SPIRAL IS SLOWING. THE FEDERAL RESERVE CHAIRMAN, WILLIAM MC CHESNEY MARTIN, JR., SAID LAST WEEK THAT "WE MAY BE GETTING TO THE END" OF THE PERIOD OF VERY HIGH INTEREST RATES. MARTIN CITED THE STOCK MARKET DECLINE, A MODEST DECREASE IN THE DEMAND FOR BANK LOANS AND A SLOWING OF CAPITAL EXPANSION PLANS BY BUSINESS AS EVIDENCE THAT INFLATIONARY FORCES ARE LOSING THEIR STRENGTH.

-14-

THESE, HOWEVER, ARE STILL ONLY INDICATORS.

INFLATION HAS NOT BEEN STOPPED.

THE PRESSURE MUST BE MAINTAINED DESPITE THE LOUD OUTCRIES OF
DISMAY AT THE TEMPORARY PROBLEMS CREATED IN CERTAIN SECTORS OF OUR
ECONOMY.

TAX REFORM

CLOSELY RELATED TO THE ADMINISTRATION'S EFFORT TO BRING STA-
BILITY TO THE ECONOMY IS THE PRESIDENT'S RECOMMENDATIONS FOR EXTEN-
SIVE TAX REFORM. HIS INITIAL PACKAGE OF 16 SUBSTANTIVE REFORMS IN-
CLUDED SOME OF THE MOST SIGNIFICANT CHANGES IN THE HISTORY OF THE
INCOME TAX.

-15-

THE HOUSE OF REPRESENTATIVES AFTER MUCH MANEUVERING, PASSED A TAX BILL THAT WOULD ULTIMATELY COST THE TREASURY \$2.4 BILLION A YEAR.

WHEN TREASURY SECRETARY, DAVID KENNEDY, RECOMMENDED CHANGES IN THE HOUSE VERSION, THERE WERE LOUD CRIES FROM SOME DEMOCRATS THAT THE ADMINISTRATION WANTED A "RICH MAN'S TAX BILL" AND THAT THE "FOR-GOTTEN AMERICAN IS THE PRESIDENT OF A GIANT CORPORATION.":

SUCH STATEMENTS ARE BLATANT DEMAGOGUERY. ALTHOUGH THE HOUSE VERSION, BROADLY SPEAKING, TAKES LESS FROM THE INDIVIDUAL AND MORE FROM THE CORPORATION, THE INDIVIDUAL WOULD STILL BENEFIT FROM TAX RELIEF TO THE TUNE OF \$7.3 BILLION, WHILE CORPORATIONS WOULD PAY \$3.5 BILLION MORE.

-16-

UNDOUBTEDLY, MORE EXTREME STATEMENTS WILL BE HEARD ON THE SUBJECT OF TAX REFORM. HOWEVER, THE FACT REMAINS THAT WHILE THE ADMINISTRATION IS IN THE DIFFICULT POSITION OF WANTING TO REDUCE THE LOSS OF REVENUE, IT IS CONGRESS WHICH WRITES OUR TAX BILLS. CONGRESS MUST ULTIMATELY ACCEPT RESPONSIBILITY FOR THE BAD AS WELL AS THE GOOD WHICH MAY EMERGE FROM THIS YEAR'S TAX REFORM EFFORT.

TAX SHARING

ANOTHER COURAGEOUS REFORM PROPOSED BY THE PRESIDENT IS THE SYSTEMATIC SHARING OF TAX REVENUE BY THE FEDERAL GOVERNMENT WITH STATE AND LOCAL GOVERNMENTS. THIS REVENUE SHARING PROGRAM IS THE MOST IMPORTANT CHANGE IN THE RELATIONSHIP BETWEEN VARIOUS LEVELS OF GOVERNMENT SINCE THE 1930'S. THE RESPONSIBILITIES OF STATE AND LOCAL GOVERNMENTS HAVE GROWN FASTER THAN THOSE OF THE FEDERAL GOVERNMENT IN THE LAST 30 YEARS, BUT REVENUES HAVE INCREASED FASTEST

-17-

AT THE FEDERAL LEVEL. A PERMANENT REVENUE SHARING SYSTEM WOULD MEAN BETTER SERVICES AND ULTIMATELY LOWER TAXES -- A GOAL WE CAN ALL APPRECIATE.

CONCLUSION

MARYLAND HAS A TREMENDOUS OPPORTUNITY TO SET THE STANDARD FOR THE MAJORITY PARTY WE WOULD ALL LIKE TO BE. YOU ARE A MICROCOSM OF AMERICA. YOUR HISTORICAL INFLUENCE RUNS DEEP IN AMERICAN TRADITIONS. ~~YOUR GEOGRAPHY RUNS FROM THE ATLANTIC OCEAN TO THE CATOCHIN MOUNTAINS.~~
YOUR ECONOMY REPRESENTS FARMS ^{of Frederick} AS WELL AS LARGE INDUSTRIES ^{of Baltimore} AND AS A RESULT, YOU HAVE THE PROBLEMS AND OPPORTUNITIES PRESENTED BY THE FARM, CITY, AND SUBURBAN COMMUNITIES. IF YOU CAN BUILD A STRONG AND VIBRANT PARTY THAT IS RELEVANT TO MARYLAND'S NEEDS, YOU CAN SET AN EXAMPLE FOR THE REPUBLICAN PARTY THROUGHOUT OUR NATION.

-18-

AS PRESIDENT NIXON HAS DEMONSTRATED THE COURAGE TO MAKE PERHAPS UNPOPULAR BUT NECESSARY DECISIONS, YOU MUST REFLECT THE PRESIDENT'S COURAGE BY DEMONSTRATING THE COURAGE REQUIRED TO WIN ELECTIONS. THIS MEANS STARTING AT THE LOCAL LEVEL, DOING PRECINCT WORK AND HELPING TO RAISE MONEY FOR REPUBLICAN CANDIDATES.

THE PRESIDENT'S COURAGE MUST SPUR US ALL TO GREATER EFFORTS. HE IS CARRYING THE GRAVE RESPONSIBILITIES OF THE PRESIDENCY WITH DIGNITY AND DETERMINATION. LET US RESPOND.

Town - factory
* Had - young - mist - street - Boston
* - drunk - stupid
* Bear - story

-18-

Waiter - comment

Joe Bird = farmer
Mrs. Sweeney - hotel
John Ball - (well known) - Jack Ball
Seated by the riding wife
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