

REMARKS OF HONORABLE BOB DOLE
KENNECOTT COPPER CORPORATION EXECUTIVES
NEW YORK CITY
WEDNESDAY, APRIL 21, 1971

IN EXAMINING THE TRACK RECORD OF THE NIXON ADMINISTRATION, TWO MAJOR AREAS OF CONCERN EMERGE. THEY ARE THE AREAS THAT AMERICANS WERE WORRIED ABOUT IN 1968 WHEN THEY ELECTED THIS ADMINISTRATION, AND THE SUCCESS WITH WHICH THIS ADMINISTRATION FACES THEM WILL PROBABLY DETERMINE THE OUTCOME OF THE 1972 ELECTIONS.

PEACE AND ECONOMY

THOSE ISSUES ARE PEACE AND THE ECONOMY. BECAUSE OF THE DELICATE TRANSITION FROM A WARTIME TO A PEACETIME ECONOMY, THEY ARE ALSO INTERDEPENDENT. THE COURSE OF ONE WILL AFFECT THE COURSE OF THE OTHER.

EXAMINING WHAT PROGRESS HAS BEEN MADE IN EACH OF THEM -- AND WHAT CAN BE EXPECTED IN THE MONTHS LEADING UP TO NOVEMBER OF 1972 -- IS THE BEST SHORT TERM BAROMETER I KNOW. IT SEEMS TO ME THAT THE TIME IS LONG OVERDUE WHEN RESULTS REPLACED RHETORIC IN THE POLITICAL FORUM. IT IS WITH THE RESULTS -- THE HARD, COLD FACTS -- THAT I PROPOSE TO DEAL HERE TODAY.

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ECONOMY EXPANDS

FIRST, BECAUSE OF THE LARGE AMOUNT OF PUBLICITY IT HAS RECEIVED OVER THE PAST WEEK, LET'S TAKE A LOOK AT THE ECONOMY. THE NATIONAL ECONOMY EXPANDED RAPIDLY IN THE FIRST QUARTER OF THIS YEAR. ACCORDING TO A LEADING NATIONAL NEWS MAGAZINE, "FURTHER GAINS SEEM ALL BUT CERTAIN".

OUR TOTAL OUTPUT OF GOODS AND SERVICES -- THE NATIONAL GROSS PRODUCT -- WAS RUNNING AT A RATE OF \$1 TRILLION, 18.5 BILLION FOR THE FIRST THREE MONTHS OF 1971. THIS MARKS AN ADVANCE OF \$28.5 BILLION OVER GROWTH IN THE FOURTH QUARTER OF 1970 -- THE SHARPEST PERCENTAGE ADVANCE IN A DOZEN YEARS.

WHILE INFLATION ACCOUNTS FOR SOME OF THIS INCREASE, THE FIGURE, ON BALANCE, IS AN IMPRESSIVE ONE.

CAR SALES UP

THERE ARE OTHER KEY INDICATORS OF A HEALTHY ECONOMIC REVIVAL. CAR SALES SPURTED UPWARD IN THE FIRST TEN DAYS OF APRIL, AND THIS SAME TREND IS BEGINNING TO SHOW UP IN PURCHASES OF OTHER DURABLE GOODS.

PERSONAL INCOME INCREASED LAST MONTH AT AN ANNUAL RATE OF \$5.9 BILLION -- OR, OVER TWICE AS FAST AS THE COST OF LIVING.

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OTHER PORTENTS OF A PROMISING FUTURE INCLUDED:

--- DECLINING MORTGAGE INTEREST RATES AND A CONTINUED HIGH LEVEL OF HOME BUILDING.

--- THE PROBABILITY OF INCREASED INVENTORY BUYING AS RETAIL SALES CONTINUE UPWARD.

--- AND, HEAVY GOVERNMENT ACTIVITY, INCLUDING CONSTRUCTION, AS A FURTHER STIMULUS.

ALREADY, I NOTICE THAT PEOPLE HAVE STOPPED TOSSING THE WORD "RECESSION" AROUND CARELESSLY, AND THERE ARE SOME PRETTY RED FACES AMONG THE ECONOMIC PROPHETS OF DOOM -- SOME OF THEM POLITICALLY MOTIVATED -- WHO DID THEIR BEST TO UNDERCUT PUBLIC CONFIDENCE IN THE ECONOMY OVER THE PAST TWO YEARS.

THIS DOES NOT MEAN THAT THERE WILL BE NO POCKETS OF UNEMPLOYMENT DURING THE REMAINDER OF THIS ADMINISTRATION'S FIRST TERM. THERE ARE BOUND TO BE SOME. BUT THEY WILL BE THE EXCEPTION.

THE OVERALL PICTURE IS ONE OF A STABLE ECONOMY AND RELATIVELY HIGH EMPLOYMENT NEXT YEAR.

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FOOD PRICES STABLE

FOOD PRICES ARE EXPECTED TO BE FAIRLY STABLE IN THE NEAR FUTURE.
THE RATE OF INCREASE IN THE COST OF LIVING IS EXPECTED TO SLOW DOWN TO
ABOUT 3 1/2 PERCENT A YEAR AT THE END OF 1971, AS COMPARED TO 6 PERCENT
IN 1970.

AND I BELIEVE THAT ALL OF THESE STATISTICS WILL BE REINFORCED BY
A MORE IMponderable FACTOR -- PUBLIC CONFIDENCE, NATIONAL MORALE.

PUBLIC CONFIDENCE IS A CRUCIAL INGREDIENT IN ANY HEALTHY NATIONAL
ECONOMY. THE TWO YEARS OF NEGATIVE ATTACKS ON PRESIDENT NIXON'S EFFORTS
TO STEM INFLATION AND STRENGTHEN THE ECONOMY DID NOT MAKE THE JOB ANY
EASIER.

ATTACKS ON PUBLIC CONFIDENCE FAIL

IT IS AN UNFORTUNATE THING FOR THE WHOLE COUNTRY WHEN POLITICAL
"OUTS" ARE WILLING TO RESORT TO SUCH TACTICS, BUT THAT IS EXACTLY WHAT
HAPPENED. FORTUNATELY, THESE LOW-ROAD TACTICS FAILED. THE AMERICAN
PUBLIC WAS NOT TALKED INTO AN ECONOMIC TAILSPIN.

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WHILE THE EFFORTS OF THE PROFESSIONAL DEFEATISTS DID NOT SUCCEED, THEY DID PROVIDE A FEW HUMOROUS MOMENTS. TAKE, FOR EXAMPLE, THE CASE DESCRIBED IN A RECENT ISSUE OF THE WALL STREET JOURNAL.

IT INVOLVES A TOP ECONOMIC ADVISOR IN THE KENNEDY AND JOHNSON ADMINISTRATIONS WHO IS NOW A WALL STREET CONSULTANT AND OCCASIONAL COMMENTATOR ON GOVERNMENT ECONOMIC POLICY.

AS THE JOURNAL DISCOVERED, THIS FORMER ECONOMIC WIZARD OF THE NEW FRONTIER AND THE GREAT SOCIETY DOESN'T JUST WEAR TWO HATS -- HE CARRIES TWO SETS OF OPINIONS, PUBLIC AND PRIVATE.

IN HIS PUBLIC STATEMENTS, THE JOURNAL SAYS, HE HAS BEEN "SHARPLY CRITICAL" OF PRESIDENT NIXON'S ECONOMIC POLICIES. THIS, IN TURN, HAS BEEN PICKED UP BY THE PRESS AND ELECTRONIC MEDIA, AND CONTRIBUTED TO PUBLIC UNCERTAINTY ABOUT THE STATE OF THE ECONOMY.

THE INTERESTING THING IS WHAT THIS SAME MAN HAS BEEN SAYING IN PRIVATE TO HIS BUSINESS ASSOCIATES ON WALL STREET. ACCORDING TO THE JOURNAL, THIS PUBLIC CRITIC IS A PRIVATE ADMIRER. HE CONFIDES TO HIS

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CLIENTS THAT "THE NIXON TEAM HAS DONE A REMARKABLY GOOD JOB OF GETTING INFLATION UNDER CONTROL WITHOUT ALLOWING A SERIOUS RECESSION." THE BUSINESS OUTLOOK IS GOOD, HE TELLS HIS ASSOCIATES, AND HE ENCOURAGES THEM TO KEEP ON INVESTING IN THE STOCK MARKET.

FEAR IS THE ONLY REAL PROBLEM

NO DOUBT, IN THE MONTHS AHEAD, WE WILL CONTINUE TO HEAR FROM THE VOICES OF DEFEATISM AND FEAR, CHANTING THE SAME OLD SLOGANS OF DESPAIR. BUT, AS AN EARLIER PRESIDENT ONCE REMINDED AMERICANS, WE HAVE NOTHING TO FEAR BUT FEAR ITSELF. AND I FIRMLY BELIEVE THAT THE AMERICAN PEOPLE TODAY ARE UNAFRAID. FOR WHEN WE EXPRESS OUR CONFIDENCE IN THE ECONOMIC FUTURE OF THIS GREAT NATION, WE ARE REALLY EXPRESSING OUR CONFIDENCE IN THE STRENGTH AND VISION OF ITS PEOPLE.

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ANOTHER GREAT ISSUE

THE SECOND GREAT ISSUE, AS I MENTIONED AT THE BEGINNING, IS PEACE. AND I USE THE WORD PEACE ADVISEDLY. IN AN UNDECLARED WAR, CHANCES FOR AN OFFICIAL PEACE -- SIGNED, SEALED AND DELIVERED --- ARE NOT GOOD. BUT THE SYSTEMATIC VIETNAMIZATION OF THE WAR -- THE STRENGTHENING OF OUR ALLIES, AND THE CALM, ORGANIZED WITHDRAWAL OF AMERICAN TROOPS UNDER THE PRESIDENT'S DIRECTION -- MEAN THAT THE WAR RICHARD NIXON INHERITED IS BEING SUCCESSFULLY WOUND DOWN.

PROGRESS ENDING WAR

THE PROGRESS TOWARD ENDING AMERICAN INVOLVEMENT HAS BEEN SO SUCCESSFUL TO DATE THAT SOME PEOPLE SEEM TO TAKE IT FOR GRANTED. THEY SEEM TO FORGET THAT WHEN RICHARD NIXON TOOK UP THE REINS OF STATE, THERE WERE A HALF MILLION AMERICAN FIGHTING MEN IN INDOCHINA.

PREDICTS ZERO CASUALTIES

WELL, AS THE PRESIDENT WAS ABLE TO ANNOUNCE TO THE AMERICAN PEOPLE IN HIS TELEVISED ADDRESS ---- BY THIS DECEMBER, THAT NUMBER WILL BE DOWN TO 184,000.

AND I HAVE A PREDICTION TO MAKE -- A PREDICTION BASED ON MY PERSONAL ESTIMATE, NOT SOME SPECIAL INSIDE INFORMATION, BUT ONE THAT I THINK IS GOING TO BE PROVEN TRUE.

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I PREDICT THAT IN THE VERY NEAR FUTURE, AMERICAN CASUALTIES IN THE VIETNAM WAR WILL BE AT OR NEAR THE ZERO POINT.

I AM NOT, HOWEVER, FOOLHARDY ENOUGH TO PREDICT THAT WE WILL HAVE ALL OF OUR TROOPS OUT OF SOUTHEAST ASIA BY ANY CERTAIN DATE. NOR AM I WILLING TO SAY THAT WE OUGHT TO HAVE THEM OUT BY A CERTAIN DATE.

DATING GAME DROPPED

I DO NOT BELIEVE THAT AS RESPONSIBLE AMERICANS WE SHOULD BE INVOLVED IN THIS NEW VERSION OF THE DATING GAME. I AM CONSTANTLY AMUSED BY THOSE SENATORS WHO WOULD TIE THE PRESIDENT'S HANDS BY FIXING A DATE CERTAIN FOR WITHDRAWAL. AS EVERYONE KNOWS, THE SENATE HAS DIFFICULTY EVEN TRYING TO FIX A DATE FOR ADJOURNMENT. BESIDES, THE IDEA OF COMPLETE WITHDRAWAL NOW DOES NOT SQUARE WITH REALITY. WE HAVE LIVED FOR MORE THAN A GENERATION WITH MEN IN KOREA AND JAPAN AND OKINAWA AND EUROPE. NO ONE DENIES THAT THEY HAVE BEEN A NECESSARY PART OF THE AMERICAN DETERRENT. FEW HAVE DEMANDED THAT THEY ALL COME HOME OVERNIGHT. BUT THIS IS ANOTHER DECISION AND NOT ONE WE ARE CONCERNED WITH AT THE MOMENT.

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WE ARE DISCUSSING THE PROGRESS THAT THIS ADMINISTRATION HAS MADE AND CONTINUES TO MAKE TOWARD AN END TO AMERICAN CASUALTIES AND AMERICAN FIGHTING IN INDOCHINA -- AND THE FACTS SHOW THAT THAT PROGRESS HAS BEEN DRAMATIC AND IRREVERSABLE.

THERE ARE OTHER IMPORTANT ISSUES THAT ARE GOING TO PLAY A PART IN THE WAY THAT THE VOTERS -- AND HISTORY -- WILL JUDGE THE RECORD OF THIS ADMINISTRATION.

WELFARE REFORM OVERDUE

NOT THE LEAST OF THEM WILL BE PUTTING AN END TO OUR UNBELIEVABLY WASTEFUL AND DEHUMANIZING WELFARE SYSTEM. REASONABLE MEN MAY DIFFER ON THE EXACT FORM THAT WELFARE REFORM SHOULD TAKE. BUT I BELIEVE THAT ALL OF US CAN AGREE WITH WHAT THE PRESIDENT SAID IN HIS APRIL 19 SPEECH IN WILLIAMSBURG, VIRGINIA:

"I DO NOT THINK WE CAN TOLERATE A SYSTEM UNDER WHICH WORKING PEOPLE CAN BE MADE TO FEEL LIKE FOOLS BY THOSE WHO WILL NOT WORK," THE PRESIDENT SAID. "TO THE CONTRARY, I THINK THOSE WHO REFUSE TO REGISTER FOR WORK AND ACCEPT WORK OR TRAINING SHOULD BE INELIGIBLE FOR WELFARE PAYMENTS.

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"I DO NOT BELIEVE IN A GUARANTEED ANNUAL INCOME," HE SAID.
"I DO BELIEVE IN A SYSTEM WHICH INSURES THAT A MAN IS REWARDED FOR
WORKING AND NOT PENALIZED, AND I THINK IT IS A VERY SENSIBLE INVESTMENT
TO INSURE THAT THAT REWARD IS THERE IN ORDER TO KEEP PEOPLE SAFELY OUT
OF THE REACH OF WELFARE."

I AGREE WHOLEHEARTEDLY WITH THE PRESIDENT'S STATEMENT. IT IS MY
HOPE THAT, UNLESS PARTISANSHIP RUNS RAMPANT IN THE CONGRESS IN COMING
MONTHS, A MEANINGFUL SYSTEM OF WELFARE REFORM CAN BE WORKED OUT."

WHETHER OR NOT IT DOES PASS THE ROADBLOCKS IN THE CONGRESS, I
FEEL THAT THE PRESIDENT HAS PERFORMED A NATIONAL SERVICE BY HEIGHTENING
PUBLIC AWARENESS ON THE ISSUE, AND BY DEMONSTRATING THAT HE SHARES THE
PUBLIC'S CONCERN ON THIS NATIONAL DISGRACE.

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REVENUE SHARING RESTORES BALANCE

THE DEVELOPMENT OF REVENUE SHARING WITH STATE AND LOCAL GOVERNMENTS IS ANOTHER ACHIEVEMENT THAT SHOULD NOT GO UNNOTED. WE ARE A PEOPLE AND A NATION FOUNDED ON THE PRINCIPLE OF LOCAL RESPONSIBILITY. BY DEVISING A PROGRAM THAT WILL RETURN TO STATE AND LOCAL GOVERNMENTS THE FISCAL RESOURCES THEY NEED TO MEET THEIR RESPONSIBILITIES, THIS ADMINISTRATION IS BRINGING SOME MUCH-NEEDED BALANCE BACK TO AMERICAN GOVERNMENT. I THINK IT IS SIGNIFICANT THAT LOCAL OFFICIALS OF BOTH MAJOR POLITICAL PARTIES HAVE BEEN OUTSPOKEN IN THEIR SUPPORT OF REVENUE SHARING. IT IS ONLY IN THE CONGRESS -- WITH ITS BUMPER CROP OF POTENTIAL PRESIDENTIAL CANDIDATES -- THAT THIS BOLD NEW PROGRAM HAS ENCOUNTERED ROADBLOCKS.

HIGH COURT ALSO BALANCED

AND THE SUBJECT OF BALANCE IN GOVERNMENT CANNOT BE MENTIONED WITHOUT REFERRING IN PASSING TO THE WISE, SUCCESSFUL POSITION THAT PRESIDENT NIXON HAS TAKEN IN REGARD TO THE SUPREME COURT.

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ONCE AGAIN, DESPITE THE STUBBORN, POLITICALLY-INSPIRED RESISTANCE OF SOME WASHINGTON POLITICIANS, THE PRESIDENT STOOD FIRM. AS A RESULT, CHIEF JUSTICE BURGER AND JUSTICE BLACKMUN HAVE BROUGHT NEW BALANCE AND RESPECT TO THE HIGH COURT AT A TIME WHEN BOTH WERE DESPERATELY NEEDED.

THESE ARE SOME OF THE HIGHLIGHTS OF THE NIXON ADMINISTRATION'S ACCOMPLISHMENTS IN OFFICE AND ITS ONGOING EFFORTS TO MAKE GOVERNMENT MORE RESPONSIVE TO THE PEOPLE. BUT THERE IS ANOTHER UNDERLYING ISSUE THAT IS PERHAPS OF MORE LONG-RANGE IMPORTANCE THAN ALL THE REST OF THEM COMBINED. I REFER TO OUR DEFENSE PREPAREDNESS, WHICH IS UNDER POLITICAL ATTACK TODAY AS NEVER BEFORE.

LESSON OF PEARL HARBOR

LAST MONTH I HAD THE OPPORTUNITY TO SPEAK TO AN AUDIENCE IN HAWAII. THERE, TOO, I DISCUSSED THE PROBLEMS OF NATIONAL DEFENSE, AND THE UNPRECEDENTED ATTACK BEING LAUNCHED AGAINST OUR ARMED FORCES TODAY. BECAUSE IT WAS HAWAII -- AN OUTLYING LINK IN OUR CHAIN OF NATIONAL DEFENSES, AND THE SCENE, A GENERATION AGO, OF THE DAY THAT LIVED IN INFAMY -- I THINK I REALIZED THE FULL URGENCY OF MY MESSAGE FOR THE FIRST TIME.

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THOSE WHO LIVED THROUGH THE HORROR AND DISBELIEF OF THE ATTACK ON PEARL HARBOR WILL NEVER FORGET IT. AFTER THE BITTER LESSON OF 1941, AMERICANS VOWED NEVER TO BE TAKEN BY SURPRISE AGAIN.

UNFORTUNATELY, SOME AMERICANS HAVE FORGOTTEN THAT VOW, AND THE TRAGIC LESSON WE LEARNED AT PEARL HARBOR -- THE LESSON THAT OUR FUTURE AS A FREE PEOPLE DEPENDS ON OUR STRENGTH AS A NATION.

EISENHOWER RECOGNIZED DEFENSE NEEDS

AS GEORGE WASHINGTON WARNED HIS FELLOW COUNTRYMEN NEARLY TWO CENTURIES AGO, "TO BE PREPARED FOR WAR IS ONE OF THE MOST EFFECTUAL MEANS OF PREVENTING IT."

THIS LESSON WAS NOT LOST ON PRESIDENT EISENHOWER. DWIGHT EISENHOWER -- WHO ENDED THE WAR IN KOREA HONORABLY, JUST AS RICHARD NIXON IS ENDING THE WAR IN VIETNAM HONORABLY -- RECOGNIZED THE NEED FOR A STRONG NATIONAL DEFENSE.

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AND WHEN HE LEFT OFFICE IN 1961, AMERICA BENEFITED FROM HIS WISDOM. THE UNITED STATES HAD AN OVERWHELMING NUCLEAR SUPERIORITY OVER THE SOVIET UNION -- A SUPERIORITY THAT ENABLED PRESIDENT KENNEDY TO FACE DOWN THE RUSSIANS DURING THE CUBAN MISSILE CRISIS A YEAR LATER.

AS A RESULT, RUSSIAN MISSILES WERE PEACEFULLY REMOVED FROM CUBA, AND A POTENTIAL THREAT TO OUR NATIONAL SURVIVAL WAS ELIMINATED.

BUT WHAT WILL HAPPEN IF THE DISARMERS AND THE FOES OF NATIONAL SECURITY HAVE THEIR WAY? WHAT WILL HAPPEN IF WE ALLOW THEM TO STRIP OUR ALREADY WEAKENED DEFENSES? WHAT WILL HAPPEN THE NEXT TIME WE MUST FACE UP TO ALIEN AGGRESSION IF THE NUCLEAR CARDS ARE STACKED AGAINST US?

RUSSIAN INTENTIONS CLEAR

THESE ARE NOT PLEASANT QUESTIONS TO THINK ABOUT. THE ANSWERS ARE NOT VERY REASSURING. THE SOVIET UNION HAS PUBLICLY AND REPEATEDLY ARTICULATED ITS GOAL OF WORLD CONQUEST. AMERICA IS THE ONLY REAL BARRIER TO THAT DRIVE FOR GLOBAL DOMINATION; THEREFORE, AMERICA IS THE PRIME TARGET FOR SOVIET MILITARY PLANNING. OUR ONE-WAY DISARMERS TRY TO GLOSS OVER

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THIS. THEY TELL US THAT THE RUSSIANS CAN BE RELIED ON TO BE REASONABLE. AFTER ALL, WE ARE TOLD, THEY ARE ONLY HUMAN. WHY WOULD THEY WANT TO BOTHER US?

THE SAME KIND OF TALK COULD BE HEARD IN HUNGARY IN 1956, RIGHT BEFORE THE RUSSIAN TANKS ROLLED INTO BUDAPEST. IT COULD BE HEARD IN CZECHOSLOVAKIA IN 1968, JUST BEFORE THAT UNFORTUNATE COUNTRY WAS OCCUPIED BY THE RUSSIAN ARMY.

NOW WE HEAR THE SAME TALK FROM THE LIPS OF AMERICAN POLITICIANS WHO OUGHT TO KNOW BETTER. AND IF THEIR VIEWS PREVAIL, IT WILL ONLY BE A MATTER OF TIME BEFORE AMERICA IS AS VULNERABLE TO NUCLEAR BLACKMAIL AS CZECHOSLOVAKIA AND HUNGARY WERE TO INVASION.

THE MILITARY BALANCE

MILITARILY, HERE IS WHERE AMERICA STANDS TODAY IN RELATION TO THE SOVIET UNION. FROM A POSITION OF CLEAR SUPERIORITY IN THE EISENHOWER YEARS, OUR COUNTRY'S STRATEGIC POSITION HAS BEEN GRADUALLY ERODED. BY THE MID-1970'S, THE RUSSIANS CAN BE EXPECTED TO HAVE A FORCE OF 1,900 LAND-BASED ICBM'S. THIS WOULD GIVE THE RUSSIANS MORE THAN ENOUGH STRENGTH TO WIPE OUT ALL AMERICAN CITIES OF SUBSTANTIAL SIZE, AND A STRONG SUPERIORITY OVER OUR OWN MISSILE FORCE.

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BESIDES HER LAND-BASED MISSILES, RUSSIA NOW HAS A FLEET OF 17 MISSILE-LAUNCHING SUBMARINES, WITH ANOTHER 15 IN VARIOUS STAGES OF CONSTRUCTION. TWO YEARS AGO, SHE ONLY HAD FOUR.

THIS MEANS THAT TODAY NEARLY ALL OF THE POPULATION OF THE UNITED STATES -- YOU, I AND EVERYONE ELSE IN THIS ROOM, PLUS MOST OF THE REMAINDER OF THE NATION -- LIE WITHIN RANGE OF RUSSIA'S SUBMARINE MISSILE FORCE.

ON TOP OF ALL THIS, THE DEFENSE DEPARTMENT HAS EVIDENCE THAT THE SOVIET UNION IS DEVELOPING A NEW ANTI-BALLISTIC MISSILE SYSTEM, SUPPLEMENTARY TO THE FOUR COMPLEXES NOW PROTECTING MOSCOW.

AND WITHIN RECENT WEEKS, IT WAS REVEALED THAT THE RUSSIANS MAY BE SPEEDING UP DEVELOPMENT OF A NEWER, MORE DEVASTATING MODEL OF ICBM.

PATTERN CLEAR

THE PATTERN IS AS CLEAR AS IT IS OMINOUS. THE RUSSIANS AREN'T BUILDING AND DEPLOYING ALL OF THIS NUCLEAR HARDWARE JUST FOR THE FUN

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OF IT, OR TO MAINTAIN A FULL-EMPLOYMENT ECONOMY. THEY MEAN BUSINESS, AND THEIR PAST RECORD AS AN AGGRESSOR SHOWS US EXACTLY WHAT KIND OF BUSINESS THEY MEAN.

ALL OF WHICH UNDERSCORES THE NEED FOR OUR NATION TO LOOK TO ITS OWN DEFENSES AND TO MAINTAIN THE KIND OF REALISTIC DETERRENCE ADVOCATED BY PRESIDENT NIXON AND DEFENSE SECRETARY LAIRD.

NEED FOR STRONG, ECONOMICAL DEFENSE

THIS DOES NOT MEAN THAT UNCLE SAM SHOULD GIVE A BLANK CHECK TO THE PENTAGON. AS THE RECORD SHOWS, PRESIDENT NIXON IS READY, WILLING AND ABLE TO TRIM THE UNNECESSARY FAT FROM OUR DEFENSE PROGRAM. THE FACT IS THAT THE PRESIDENT HAS SAVED \$8 BILLION IN DEFENSE SPENDING IN THE PAST TWO YEARS.

AS FOR THE TALK OF REARRANGING PRIORITIES, JUST LOOK AT THE FACTS AND YOU CAN SEE THAT THIS HAS ALREADY BEEN DONE. WHEREAS 66 PERCENT OF THE FEDERAL BUDGET WAS SPENT ON DEFENSE IN 1952, THE PERCENTAGE HAS BEEN CUT NEARLY IN HALF, TO 34.6 PERCENT FOR FISCAL 1971. SINCE 1952, DEFENSE SPENDING HAS FALLEN FROM 13.6 TO 7.2 PERCENT OF THE GROSS NATIONAL PRODUCT. AND, FINALLY, WHEN PRESIDENT NIXON SENT HIS BUDGET FOR FISCAL 1971 TO THE CONGRESS, SPENDING ON HUMAN RESOURCES SUCH AS HEALTH AND EDUCATION OUTPACED DEFENSE SPENDING FOR THE FIRST TIME IN TWO DECADES.

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THERE CAN BE NO DENYING THE DEDICATION OF THIS ADMINISTRATION -- AND ALL REASONABLE MEN -- TO AN ECONOMICAL NATIONAL DEFENSE. BUT TO ECONOMIZE IS NOT THE SAME THING AS TO DESTROY, ANY MORE THAN DIETING IS THE SAME THING AS STARVING TO DEATH.

THE WARNING OF HISTORY

HISTORY IS LITTERED WITH TRAGIC EXAMPLES OF GREAT AND LITTLE NATIONS THAT GREW COMPLACENT AND SELF-SATISFIED. IT IS LITTERED WITH CIVILIZATIONS THAT FLOWERED AND THEN LOST THE WILL AND THE STRENGTH NECESSARY FOR SURVIVAL.

AS AMERICANS, WE ARE CITIZENS OF PERHAPS THE GREATEST NATION TO EMERGE SINCE THE BEGINNING OF RECORDED HISTORY. BESIDES OUR COUNTRY'S IMMENSE POWER AND WEALTH, IT HAS GIVEN BIRTH TO A SET OF BASIC HUMAN RIGHTS UNRIVALED IN THE ANNALS OF MANKIND. AND YET, IF THE VOICES OF IRRESPONSIBILITY TRIUMPH, AND AMERICA IS STRIPPED OF HER DEFENSES, FUTURE GENERATIONS MAY LOOK BACK ON US AS JUST ONE MORE EXTINCT CIVILIZATION THAT GREW RIPE AND THEN GREW ROTTEN -- THAT PERISHED THROUGH ITS OWN WEAKNESS AND APATHY.

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THAT IS AN EPITAPH THAT NEVER SHOULD AND NEVER SHALL BE WRITTEN AS LONG AS DECENT, REASONABLE AMERICANS OF ALL PARTIES AND PERSUASIONS STAND BEHIND A STRONG NATIONAL DEFENSE -- THE KIND OF REALISTIC DETERRENT THAT PRESIDENT NIXON AND DEFENSE SECRETARY LAIRD ADVOCATE.

THE MAN BEHIND THE PROGRAM

BUT BEHIND ALL THE ISSUES AND THE PROGRAMS OF THE NIXON ADMINISTRATION STANDS THE MAN HIMSELF. MUCH OF MY CONFIDENCE IN HIS PROGRAMS COMES FROM MY CONFIDENCE IN RICHARD NIXON HIMSELF. LOOK AT HIM, AND LOOK AT HIS RECORD.

HE IS SMART. HE IS TOUGH. HE DOES NOT KNUCKLE UNDER TO PRESSURE. HE DOES NOT REACT TO THE PANIC OF THE MOMENT. HE LOOKS DOWN THE LONG ROAD TOWARD WHAT IS GOOD FOR AMERICA. THAT KIND OF LEADERSHIP IS NOT EASY TO COME BY, AND IT IS MORE URGENTLY NEEDED TODAY THAN EVER.

I BELIEVE THAT THE AMERICAN PEOPLE REALIZE THIS NEED AND RECOGNIZE THE QUALITY OF LEADERSHIP -- AND THE QUALITY OF RESULTS -- THAT RICHARD NIXON HAS GIVEN THEM. AND THAT IS WHY I AM CONFIDENT ABOUT BOTH THE FUTURE OF THIS ADMINISTRATION AND THE FUTURE OF OUR COUNTRY.

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THE SECOND FORMULA -- THE SO-CALLED "PASS THROUGH" FORMULA, IS BASICALLY A METHOD OF DIVIDING UP THE FUNDS, ONCE THEY HAVE BEEN CONSIGNED TO A GIVEN STATE. IT WOULD DETERMINE HOW MANY DOLLARS WENT TO THE STATE GOVERNMENT FOR DISTRIBUTION ACCORDING TO ITS PRIORITIES, AND HOW MANY DOLLARS WENT TO MUNICIPALITIES DIRECTLY. THE "PASS-THROUGH" FORMULA WOULD BE DEvised THROUGH AGREEMENT BETWEEN THE STATES AND MUNICIPALITIES.

CUTS RED TAPE

I THINK YOU WILL AGREE THAT THIS PLAN CUTS THROUGH A TREMENDOUS AMOUNT OF BUREAUCRATIC RED TAPE. FOR DECADES NOW, STATE AND LOCAL PLANNERS HAVE BEEN BURIED IN FEDERALLY-GENERATED PAPERWORK AND PLAGUED BY FEDERAL NITPICKING. GENERAL REVENUE SHARING ELIMINATES A SUBSTANTIAL PART OF IT.

UNDER GENERAL REVENUE SHARING, THE FEDERAL GOVERNMENT IS ONLY CONCERNED WITH TWO POINTS -- IN THE EXPENDITURE OF THESE FEDERALLY-PROVIDED FUNDS -- COMPLIANCE WITH CIVIL RIGHTS GUARANTEES, AND ACCESS TO RECORDS FOR AUDITING PURPOSES. IN OTHER WORDS, THE PEOPLE, THROUGH THEIR STATE AND LOCAL GOVERNMENTS, DECIDE HOW THE MONEY WILL BE SPENT. THE FEDERAL GOVERNMENT ONLY GUARANTEES THAT NO ONE'S CIVIL RIGHTS SHALL BE VIOLATED IN THE PROCESS, AND THAT THE FUNDS SHALL BE SPENT ACCORDING TO THE PLANS WHICH THE STATES AND LOCALITIES DEVISE.

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\$54 MILLION FOR KANSAS

IN KANSAS, THE IMPACT WOULD BE SUBSTANTIAL. OUT OF THE \$5 BILLION AVAILABLE FOR GENERAL REVENUE SHARING NATIONWIDE, KANSAS WILL RECEIVE \$54 MILLION. THIS AMOUNT -- THIS NEW MONEY -- WOULD GO TO THE STATE AND LOCAL GOVERNMENTS AND BE AVAILABLE TO THEM IN ADDITION TO THE REVENUES THEY ARE NOW RAISING ON THEIR OWN. APPROXIMATELY \$28.5 MILLION WOULD PASS DIRECTLY THROUGH TO LOCAL AND COUNTY GOVERNMENTS.

THIS NEW MONEY WOULD CERTAINLY NOT SOLVE THE TAX-REVENUE CRISIS IN OUR CITIES, COUNTIES AND STATES, BUT IT WOULD BE A MAJOR STEP TOWARD RELIEVING THE CRISIS WHICH FACES BOTH TAXPAYERS AND THEIR GOVERNMENTS.

SPECIAL REVENUE SHARING

THAT, IN ESSENCE, IS GENERAL REVENUE SHARING. UNLIKE GENERAL REVENUE SHARING, SPECIAL REVENUE SHARING INVOLVES MONEY FROM TWO SOURCES: \$1 BILLION FROM GENERAL FUNDS AND \$10.1 BILLION FROM THE ALREADY-EXISTING CATEGORICAL GRANT-IN-AID PROGRAMS. BOTH OF THESE WOULD BE FOLDED TOGETHER IN FISCAL 1972 FOR A TOTAL OF \$11.1 BILLION.

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THE BASIC CONCEPT OF SPECIAL REVENUE SHARING IS THAT THERE ARE SIX AREAS OF VERY STRONG NATIONAL INTEREST WHICH ARE VALID AREAS FOR INJECTION OF EAR-MARKED FEDERAL FUNDS. THESE AREAS ARE: TRANSPORTATION, RURAL DEVELOPMENT, URBAN DEVELOPMENT, PRIMARY AND SECONDARY EDUCATION, LAW ENFORCEMENT AND JOB TRAINING.

EACH OF THESE CATEGORIES WILL HAVE ITS OWN DISTRIBUTION FORMULA. AND, TO AS GREAT AN EXTENT AS POSSIBLE, THE FORMULAS WILL BE STATUTORY RATHER THAN ADMINISTRATIVE. THE IDEA IS TO DISTRIBUTE THE MONEY FOR EACH CATEGORY IN WAYS WHICH RECOGNIZE THE NEEDS AND DEGREES OF PROBLEMS IN PARTICULAR LOCALITIES.

MONEY TO AGRICULTURAL STATES

FOR INSTANCE, RURAL DEVELOPMENT MONEY WILL GO PRIMARILY TO AGRICULTURAL STATES LIKE OURS. URBAN DEVELOPMENT MONEY WOULD BE CONCENTRATED MOSTLY IN STATES WHICH ARE BESET WITH URBAN PROBLEMS. THE SAME PRINCIPLE WOULD APPLY FOR TRANSPORTATION, EDUCATION AND SO FORTH.

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SO THERE YOU HAVE AN OUTLINE OF THE WAY THAT PRESIDENT NIXON'S REVENUE SHARING CONCEPTS WOULD WORK. WHILE THE DETAILS AND SOME OF THE APPLICATIONS HAVE YET TO BE FINALIZED, ~~THROUGH PRACTICE AND EXPERIENCE~~ THE FUNDAMENTAL CONCEPT IS SIMPLE AND LOGICAL. IT IS ROOTED IN THE KIND OF COMMON SENSE AND GOOD JUDGMENT THAT BUILT AMERICA.

TO BORROW A PRINCIPLE FROM GEOMETRY, THE PRESIDENT'S APPROACH SIMPLY REAFFIRMS THAT THE SHORTEST DISTANCE BETWEEN TWO POINTS IS A STRAIGHT LINE -- THAT THE MORE TWISTED AND DELAYED THE PROCESS OF GETTING MONEY BACK TO STATE AND MUNICIPAL GOVERNMENTS, THE MORE COSTLY AND WASTEFUL IT BECOMES.

GRANTS-IN-AID NOT THE ANSWER

X AND WE HAVE YEARS OF EVIDENCE AND EXPERIENCE TO PROVE IT. MUCH OF THE FEDERAL MONEY GOING BACK TO THE STATES IN RECENT YEARS HAS BEEN CHanneled THROUGH HIGHLY RESTRICTIVE PROGRAMS OF CATEGORICAL GRANTS-IN-AID. THESE PROGRAMS SIMPLY DO NOT PROVIDE EFFECTIVE ANSWERS TO STATE AND LOCAL PROBLEMS. THE MAJOR DIFFICULTY WITH CATEGORICAL GRANTS-IN-AID -- AND MOST OF YOU HAVE PROBABLY ENCOUNTERED IT IN YOUR OWN COMMUNITIES AT ONE TIME OR ANOTHER -- IS THAT STATES AND LOCALITIES ARE NOT FREE TO SPEND THE MONEY ON THEIR OWN NEEDS, AS THEY SEE THEM. INSTEAD, THE MONEY MUST BE SPENT FOR THINGS THAT WASHINGTON WANTS, IN THE WAY THAT WASHINGTON ORDERS. AND ALL TOO OFTEN, THE ATTITUDE OF THE WASHINGTON BUREAUCRATS IS THAT THEY KNOW WHAT IS GOOD FOR EVERYONE AND ARE GOING TO MAKE THEM DO IT THEIR WAY -- EVEN IF IT KILLS THE PEOPLE WHO SHOULD BENEFIT FROM THESE PROGRAMS.

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FAIL TO GEAR TO LOCAL NEEDS

THE EXTREMELY NARROW CATEGORIES FOR WHICH THE MONEY IS GRANTED -- EVEN WHEN THE PERSONNEL INVOLVED HAVE THE BEST OF INTENTIONS -- MAKE IT DIFFICULT TO GEAR SPENDING TO LOCAL NEEDS. AND BECAUSE THESE CATEGORIES ARE EXTREMELY RESISTANT TO CHANGE AND ADAPTATION, LARGE SUMS ARE OFTEN SPENT ON OUTMODED PROJECTS.

AS A RESULT, PRESSING NEEDS OF STATES, TOWNS AND CITIES OFTEN GO UNMET, WHILE MORE AND MORE FEDERAL MONEY IS POURED INTO COSTLY WHITE ELEPHANTS.

WASTE, OVERLAP COMMON

THE SYSTEM OF CATEGORICAL GRANTS HAS MUSHROOMED OVER THE YEARS, WITHOUT MUCH RHYME OR REASON. NEW PROGRAMS HAVE BEEN PUSHED BY PARTISAN AND SPECIAL INTEREST GROUPS, SOMETIMES WITH LITTLE REGARD FOR OLDER EXISTING PROGRAMS WHICH SERVE THE SAME NEEDS. THERE HAS BEEN MUCH OVERLAP AND LITTLE COORDINATION.

A STAGGERING EXAMPLE OF HOW FAR THIS CAN GO IS THE FIELD OF MANPOWER TRAINING. A DOZEN OR MORE MANPOWER PROGRAMS MAY EXIST SIDE-BY-SIDE IN THE SAME URBAN NEIGHBORHOOD -- EACH ONE SEPARATELY FUNDED AND SEPARATELY MANAGED.

Handwritten signature: "Phyllis" with other illegible scribbles.

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EATS INTO LOCAL RESOURCES

IN MANY CASES, FEDERAL MONEY MUST BE MATCHED, DOLLAR FOR DOLLAR, BY STATE AND LOCAL MONEY. NOT ONLY DOES THIS INCREASE DUPLICATION OF FEDERAL ERRORS ON THE STATE AND LOCAL LEVEL -- IT ALSO DEPRIVES LOCAL GOVERNMENTS OF MUCH OF THEIR FISCAL RESOURCES. IT LEAVES THEM EVEN MORE HARD-PRESSED TO FIND MONEY TO MEET PRESSING LOCAL NEEDS IN THE WAY LOCAL PEOPLE WANT.

REVENUE SHARING STOPS DRAIN

SPECIAL REVENUE SHARING ELIMINATES THIS DRAIN. IT DOES AWAY WITH THE MATCHING REQUIREMENTS. SO IT SOLVES THE PROBLEM OF POOR CHANNELING OF LOCALLY-RAISED FUNDS, BY GIVING LOCAL GOVERNMENT A FREER CHOICE. THIS MEANS THAT YOU AND I AND OUR NEIGHBORS -- AND THE MEN AND WOMEN WE ELECT LOCALLY -- WILL ONCE AGAIN BE ABLE TO ASSIGN OUR OWN PRIORITIES WHEN IT COMES TO STATE AND LOCAL PROJECTS.

THUS, SPECIAL REVENUE SHARING WILL HAVE BENEFICIAL SIDE-EFFECTS, BESIDES THE MONEY IT WILL CHANNEL INTO SPECIFIC LOCAL NEEDS.

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TO SUMMARIZE THEN, GENERAL REVENUE SHARING PROVIDES \$5 BILLION IN FUNDS FOR FISCAL 1972, TO BE DISTRIBUTED AMONG THE DIFFERENT STATES AND MUNICIPALITIES, WITH NO PROJECT RESTRICTIONS ATTACHED. SPECIAL REVENUE SHARING PROVIDES ANOTHER \$11.1 BILLION IN FUNDS TO BE ALLOCATED IN ACCORDANCE WITH SIX BROAD DOMESTIC GOALS IN MIND. BUT EVEN THEN, STATE AND LOCAL OFFICIALS WILL BE GIVEN THE RESPONSIBILITY OF DEFINING HOW THESE GOALS SHOULD BE APPROACHED.

PUBLIC RESPONSE FAVORABLE

PUBLIC REACTION TO REVENUE SHARING HAS BEEN OVERWHELMINGLY FAVORABLE. IN TALKING WITH STATE AND LOCAL OFFICIALS FROM AROUND THE COUNTRY, YOU CAN SENSE THE ENTHUSIASM -- THE NEW HOPE -- GENERATED BY THE REVENUE SHARING CONCEPT.

AN INDICATOR OF JUST HOW DEEP AND WIDESPREAD THAT SUPPORT IS CAME WHEN A LEADING PRESIDENTIAL HOPEFUL BLASTED REVENUE SHARING BEFORE A GATHERING OF THE NATION'S MAYORS. HIS PARTISAN ATTACK WAS RECEIVED COLDLY, EVEN BY MEMBERS OF HIS OWN PARTY. THE REACTION IN SUPPORT OF REVENUE SHARING WAS SO STRONG THAT, LATER THE SAME WEEK, THE CANDIDATE PUBLICLY ADMITTED HE HAD MADE A MISTAKE, ADDING THAT THE SURPRISINGLY STRONG SHOW OF SUPPORT MADE "CLEAR TO THE DEMOCRAT LEADERSHIP HOW STRONGLY THE MAYORS FEEL ABOUT REVENUE SHARING."

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ANSWERS TWO-FOLD NEED

WHY DOES THIS SUPPORT RUN SO DEEP? MAINLY BECAUSE REVENUE SHARING IS RECOGNIZED AS THE BEST, CLEAREST ANSWER TO A TWO-FOLD NEED.

IN THE FIRST PLACE, THE STATES ^{AND CITIES} ARE IN FINANCIAL TROUBLE. STATE AND LOCAL REVENUES HAVE JUST NOT KEPT UP WITH THE NATIONAL ECONOMIC GROWTH. AT THE SAME TIME, COSTS FOR EDUCATION, HEALTH AND WELFARE HAVE EXCEEDED NATIONAL ECONOMIC GROWTH.

GROWING LOCAL BURDEN

IN THE LAST QUARTER CENTURY, STATE AND LOCAL EXPENSES HAVE INCREASED TWELVEFOLD, FROM \$11 BILLION IN 1946, TO AN ESTIMATED \$132 BILLION IN 1970. ALL DURING THIS PERIOD, INCREASINGLY HIGH FEDERAL TAXES, COMBINED WITH NON-PROGRESSIVE STATE AND LOCAL REVENUE SOURCES, HAVE BUILT UP PUBLIC RESISTANCE TO NEW LOCAL EFFORTS TO RAISE ADDITIONAL REVENUE. IT IS NO WONDER THEN THAT STATE AND LOCAL GOVERNMENTS NEED MONEY DESPERATELY.

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MEANS OF REDUCING BUREAUCRACY

ANOTHER GENERALLY ACKNOWLEDGED PROBLEM OF THE PAST QUARTER CENTURY HAS BEEN THE UNCONTROLLED GROWTH OF THE FEDERAL BUREAUCRACY. IT IS HARD TO FIND ANYONE WHO DOES NOT AGREE THAT EFFECTIVE WAYS MUST BE FOUND TO DECENTRALIZE THE FEDERAL GOVERNMENT AND CUT BACK ON BUREAUCRATIC WASTE. TO MY MIND, THE NIXON REVENUE SHARING PLANS ARE MORE THAN A WAY TO DO THIS. THEY ARE THE BEST WAY BECAUSE THEY MEET PRESSING GRASSROOTS NEEDS OF THE AMERICAN PEOPLE.

THAT IS WHY SUPPORT FOR REVENUE SHARING IS WIDESPREAD AND CROSSES PARTY LINES. THAT IS WHY I BELIEVE IT IS ONLY A MATTER OF TIME BEFORE IT BECOMES LAW. NARROW, PARTISAN CONSIDERATIONS MAY SLOW IT DOWN, BUT THEY CANNOT STOP THIS HISTORIC CONCEPT AT A TIME WHEN IT IS NEEDED BY HARD-PRESSED STATES AND CITIES IN EVERY CORNER OF THIS LAND.

TRUST IN PEOPLE

AS PRESIDENT NIXON SAID IN HIS STATE OF THE UNION MESSAGE, "A NATION WITH A STRONG GOVERNMENT AND A WEAK PEOPLE IS AN EMPTY SHELL.... WHAT THIS CHANGE MEANS IS THAT, ONCE AGAIN IN AMERICA, WE ARE PLACING OUR TRUST IN PEOPLE."

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THAT IS A PRINCIPLE I BELIEVE IN. IT IS ONE THAT I HAVE TRIED TO UPHOLD EVER SINCE I FIRST TOOK PUBLIC OFFICE. AS COMMUNITY LEADERS IN KANSAS, I AM SURE YOU SHARE THIS BELIEF. I HOPE THAT YOU WILL PASS YOUR FEELINGS ON TO YOUR FRIENDS AND NEIGHBORS.

AMERICA HAS NEVER STOPPED BEING A GREAT NATION, AND THE AMERICAN PEOPLE HAVE NEVER STOPPED BEING A GREAT PEOPLE. BUT THE OVERWHELMING POWER AND PRETENSIONS OF THE FEDERAL BUREAUCRACY HAVE HINDERED -- NOT HELPED -- THAT GREATNESS.

THE PRESIDENT'S REVENUE SHARING PLAN GIVES US A MEANS OF PUTTING OUR PRINCIPLES AND OUR PRIORITIES TOGETHER. IF ALL OF US STAND BEHIND IT, IT CAN AND WILL GIVE OUR PEOPLE, AND OUR LOCAL GOVERNMENTS, THE RESPONSIBILITY AND THE RESOURCES THEY NEED TO FULFILL THE PROMISE OF AMERICA.