

REMARKS OF SENATOR BOB DOLE

THE OHIO ASSOCIATION OF REALTORS
SHERATON-CLEVELAND HOTEL
CLEVELAND, OHIO
TUESDAY, SEPTEMBER 10, 1974

I WANT TO THANK YOU FOR THIS OPPORTUNITY TO VISIT WITH ALL OF YOU TODAY, AND TO SHARE WITH YOU SOME OF MY THOUGHTS ABOUT THE FAST PACED DEVELOPMENTS TAKING PLACE IN WASHINGTON IN RECENT DAYS.

I HAVE SAID MORE THAN ONCE, THAT THE TRANSITION TO THE FORD ADMINISTRATION WAS LIKE A BREATH OF FRESH AIR FOR THE CAPITOL AND THE NATION. AND IT WAS. WE EMERGED FROM WHAT GERALD FORD CALLED OUR "NATIONAL NIGHTMARE" INTO A NEW ERA, WHICH HE SAID WOULD BE ONE OF CONCILIATION, COMPROMISE AND COOPERATION.

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NOT ONE-SIDED

SOME INTERPRETED THAT ATTITUDE ON THE PART OF THE NEW PRESIDENT AS AMOUNTING TO HIS PRACTICAL GUARANTEE THAT THEY WOULD HAVE THINGS THEIR OWN WAY. COMPROMISE, TO THEM, MEANS THAT OTHER PEOPLE WILL BEND THEIR PRINCIPLES, OR CHANGE THEIR POSITIONS, TO ACCOMMODATE THEIR NEEDS.

CONCILIATION MEANS THAT OTHERS WILL BEND OVER BACKWARDS TO FULFILL THEIR WANTS.

COOPERATION MEANS THAT OTHERS WILL COME TO THEIR AID.

BUT THAT WASN'T PRESIDENT FORD'S MEANING -- NOT AT LEAST IN MY ESTIMATION.

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SEEKS MUTUAL COOPERATION

HE ASKED FOR A NEW ERA WHERE, WHEN COMPROMISE WAS POSSIBLE, IT WOULD BE ACHIEVED. HE ASKED FOR MUTUAL COOPERATION AND A RECIPROCAL ATTITUDE OF GOOD FAITH SO THAT PERHAPS OBSTACLES LIKE PARTISANSHIP AND THE TEMPTATION, EVEN IN THIS ELECTION YEAR, TO PLAY POLITICS WITH THE REALLY IMPORTANT ISSUES MIGHT BE PUT ASIDE.

PRESIDENT FORD DID NOT PRETEND TO USHER IN AN ERA OF UNANIMITY, BY ANY MEANS. AND AS THE REACTION TO CERTAIN OF HIS ACTIONS OVER THE LAST COUPLE OF WEEKS DEMONSTRATES, HE HAS NOT DONE SO.

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BUT HE HAS COME ON THE SCENE, AND MADE HIMSELF EVERY BIT AS WELCOME AS A BREATH OF FRESH AIR. AND HE HAS DONE THIS, AS MUCH BY THE WAY HE REACTS TO CRITICISM AS BY THE WAY HE INVITES COOPERATION.

REACTION TO CRITICISM

YOU CAN DIFFER WITH PRESIDENT FORD. I'M SURE HE IS NO HAPPIER ABOUT IT, WHEN YOU DO, THAN THE NEXT MAN. BUT HE HAS BEEN IN THE CONGRESS LONG ENOUGH TO KNOW THAT DIFFERENCES OF OPINION ARE INEVITABLE. THAT A CERTAIN AMOUNT OF CRITICISM IS TO BE EXPECTED.

AND HE KNOWS TOO, THAT OUT OF THESE DIFFERENCES CAN COME A VERY CREATIVE DIALOGUE, THAT CAN IN THE LONG RUN BE FAR MORE PRODUCTIVE THAN AN UNCHALLENGED PURSUIT OF POLICIES AND OBJECTIVES THAT ARE NOT SUBJECT TO THE TESTING GROUND OF VIGOROUS DEBATE.

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ACTION AND CONSULTATION

HE HAS NOT HESITATED TO ACT WHEN HE THINKS HE IS RIGHT. HE HAS TAKEN BOLD ACTION AND PROPOSED INITIATIVES THAT ARE NOT ALTOGETHER THE MOST POPULAR NOR THOSE A NEW PRESIDENT MIGHT BE EXPECTED TO TAKE IN THE EARLY DAYS OF HIS PRESIDENCY. I HAVE NOT AGREED WITH THEM ALL. THERE WILL BE MORE IN THE FUTURE, WITH WHICH I MAY DISAGREE AS WELL.

BUT, AS YET, PRESIDENT FORD HAS GIVEN ME NO CAUSE TO DOUBT THE SINCERITY OF HIS MOTIVATIONS NOR THE DEPTH OF HIS OWN PERSONAL DETERMINATION TO LEAD THIS NATION FORWARD, NOR THE RANGE OF HIS CAPACITIES TO LEAD AND TO GO AHEAD AND DO WHAT HE THINKS IS RIGHT.

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REALISTIC EXPECTATION

HE HAS NOT SOUGHT UNANIMITY, AS I SAID. HE HAS NOT EVEN MADE A SHOW OF SEEKING CONSENSUS. BUT HE HAS PUT GREAT STOCK IN CONSULTATION AND THIS, I THINK IS A COURSE OF ACTION THAT IS PRUDENT, REALISTIC AND RESPONSIBLE.

AS YOU ARE ALL AWARE, PRESIDENT FORD HAS CALLED FOR AN ECONOMIC SUMMIT CONFERENCE, IN FURTHERANCE OF THIS DISPOSITION TOWARD CONSULTATION.

ECONOMIC SUMMIT

HE WILL CHAIR IT ON SEPTEMBER 27-28 IN WASHINGTON, D. C. AS YOU ARE ALSO AWARE, THE PRESIDENT HAS INDICATED THAT THE PROBLEMS OF

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THE HOUSING INDUSTRY ARE TO BE ONE OF THE TOP PRIORITIES OF THIS ADMINISTRATION. NONE OF US AT THIS POINT KNOWS EXACTLY WHAT WILL COME OUT OF THE SUMMIT CONFERENCE OR THE MANY MINI-CONFERENCES LEADING UP TO IT. THE BEST WE CAN DO AT THIS STAGE IS GUESS. THE OPTIONS ARE MANY AND THEIR RANGE IS WIDE. THERE IS ONE THING, THOUGH, THAT IS CERTAIN. THE SITUATION FACING THE HOUSING INDUSTRY AND ITS RELATED SUPPORTING INDUSTRIES IS VERY, VERY SERIOUS.

NO OTHER INDUSTRY SUFFERS THE BRUNT OF THE FORCES BROUGHT INTO PLAY DURING THESE EVER INCREASING TIGHT CREDIT PERIODS OF THE FINANCIAL CYCLE AS DOES THE HOUSING INDUSTRY. THE HOUSING INDUSTRY WAS RUNNING AT A LEVEL OF 2.4 MILLION STARTS IN 1972 AND IS NOW

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DOWN TO AN ANNUAL RATE OF 1.3 MILLION STARTS AND 1 MILLION PERMITS. A PLAN OF PRESIDENT JOHNSON'S IN 1968 CALLED FOR 26 MILLION HOUSING STARTS IN THE NEXT 10 YEARS IN ORDER TO ADEQUATELY HOUSE ALL AMERICANS. THIS WAS A WORTHY GOAL, A GOAL THAT SHOULD BE ACHIEVED. IT IS OBVIOUS, UNDER THE PRESENT CONDITIONS, THAT IT WILL NOT BE.

I AM AWARE OF YOUR PROBLEMS. THERE ARE MANY OTHERS IN WASHINGTON, INCLUDING THE PRESIDENT, WHO ARE ALSO AWARE OF YOUR PROBLEMS AND WE ARE DOING ALL WE CAN TO RESOLVE THEM. INFLATION HAS BEEN TERMED PUBLIC ENEMY NUMBER ONE, AND IT IS. NO ECONOMY CAN SURVIVE FOR LONG WITH CONTINUED TWO-DIGIT INFLATION. IT MUST BE

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SLOWED DOWN TO A REASONABLE LEVEL. BUT NOT AT THE COST OF THE RUINATION OF OUR TOTAL HOUSING INDUSTRY, WHICH, ALONG WITH ITS SUPPORTING INDUSTRIES, IS PROBABLY THE NATION'S LARGEST AND CERTAINLY ONE OF THE MOST IMPORTANT.

OPTIONS UNDER DISCUSSION

NOW TO THE OPTIONS THAT ARE BEING DISCUSSED.

SOME HAVE SUGGESTED THAT WE ALLOCATE A PORTION OF THE NATION'S CREDIT SUPPLY TO SUPPORT THE HOUSING MARKET, IN A SIMILAR MANNER TO LAST MAY'S \$10.3 BILLION PROGRAM TO PUT MONEY INTO HOUSING THROUGH SUBSIDIZED INTEREST RATES AND ADVANCES TO SAVINGS AND LOAN ASSOCIATIONS.

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AS YOU ARE ALL AWARE, THIS PROGRAM, WHILE HELPFUL, FELL FAR SHORT OF BEING A SATISFACTORY SOLUTION TO YOUR PROBLEMS. PERHAPS ON A BROADER SCALE, WITH MORE SIGNIFICANT SUPPORT, IT COULD BE OF GREATER ASSISTANCE.

FOLLOWING THIS LINE -- SOME HAVE DISCUSSED THE POSSIBILITY THAT THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT EXTEND ITS TANDEM PLAN TO CONVENTIONAL LOANS, NOT CURRENTLY BACKED BY ANY GOVERNMENT AGENCY. THIS WOULD CHANGE THE PRESENT PLAN, WHICH INVOLVES ONLY SUBSIDIZED BELOW-MARKET INTEREST RATES APPLIED TO LOANS BACKED BY THE FHA OR THE VA, AND WOULD REQUIRE LEGISLATION BY THE CONGRESS. THIS MIGHT PROVIDE SOME ADDITIONAL SUPPORT DURING THIS TIME.

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INTEREST SUBSIDIES?

ANOTHER POSSIBLE AREA OF RELIEF WOULD BE FOR THE TREASURY TO SUBSIDIZE INTEREST RATES ON ADVANCES MADE BY THE FEDERAL HOME LOAN BANK BOARD TO MEMBER SAVINGS AND LOAN ASSOCIATIONS. THE OBJECTIVE WOULD BE TO MAKE MORE FINANCING MONEY AVAILABLE AT RATES AT OR BELOW CURRENT MARKET RATES FOR HOME MORTGAGES.

AS YOU ARE AWARE, THESE PLANS ARE BUT VARIATIONS ON THE \$10.3 BILLION HOUSING AID PACKAGE ADOPTED IN MAY. IN THAT PACKAGE, THE FEDERAL HOME LOAN MORTGAGE CORPORATION COMMITTED ITSELF TO BUY \$3 BILLION IN FUTURE MORTGAGES FOR NEW HOUSES AT THE BELOW-MARKET RATE OF 8 3/4 PERCENT, WITH PURCHASES TO BE SUBSIDIZED BY THE

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TREASURY; HUD EXPANDED ITS EXISTING TANDEM PLAN TO BUY FHA/VA MORTGAGES ON 100,000 NEW HOUSES AT A SUBSIDIZED RATE OF 8 PERCENT; AND THE FEDERAL HOME LOAN BANK BOARD IS OFFERING \$4 BILLION IN LOAN ADVANCES TO SAVINGS AND LOANS AT A RATE AT LEAST 1/2 PERCENTAGE POINT BELOW ITS BORROWING COST.

THE PROPOSED HUD TANDEM PLAN I MENTIONED FOR CONVENTIONAL LOANS WOULD, IN EFFECT, REPLACE THE FEDERAL HOME LOAN MORTGAGE CORPORATION PROGRAM, WHICH HAS BEEN COMPLETED. HUD WOULD CONTINUE THE TANDEM PLAN IN WHICH IT IS OFFERING TO SUBSIDIZE FHA/VA LOANS AT A RATE OF 7 3/4 PERCENT FOR UP TO 200,000 NEW HOUSING UNITS. AT THIS POINT, IT HAS MADE COMMITMENTS FOR ONLY ABOUT 135,000 OF THESE AND NONE OF

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THE 100,000 AT 8 PERCENT. THE PROPOSAL TO SUBSIDIZE INTEREST RATES ON ADVANCES TO SAVINGS AND LOANS WOULD BE INTENDED TO LOWER THE INTEREST RATE THE SAVINGS AND LOANS MUST PAY FOR THEIR LOANS. THE CURRENT ADVANCES PROGRAM OF THE FHLBB HAS BEEN HINDERED IN ITS USE BECAUSE THE BOARD'S BORROWING COSTS ARE SO HIGH THAT THE 1/2-POINT REDUCTION ON THE RATE OF ADVANCES TO SAVINGS AND LOANS IS NOT ENOUGH TO ALLOW THE SAVINGS AND LOANS TO LEND THE FUNDS FOR HOME MORTGAGES AT COMPETITIVE RATES.

RELIEF FOR HOUSING

AS I HAVE CAUTIONED YOU BEFORE DISCUSSING THESE VARIOUS OPTIONS, IT IS NOT CERTAIN WHICH OF THESE, OR COMBINATION OF THESE, OR ANY OF

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THESE, WILL FINALLY BE ADOPTED. WE MUST WAIT AND SEE THE RESULTS OF THE ECONOMIC SUMMIT CONFERENCE. I BELIEVE SOME RELIEF MUST BE PROVIDED FOR HOUSING NOW. WE CANNOT AFFORD TO WAIT ANY LONGER. AMERICANS HAVE BEEN, AND HAVE A RIGHT TO EXPECT TO CONTINUE TO BE, THE WORLD'S BEST-HOUSED PEOPLE. IT IS OUR OBLIGATION IN GOVERNMENT TO DO WHATEVER WE CAN TO MAKE CERTAIN THE FUTURE OF THE HOUSING INDUSTRY WILL BE ASSURED SO THAT THE PEOPLE OF AMERICA WILL HAVE ADEQUATE HOUSING. BUT -- WHATEVER WE DO DURING THIS TIME WILL ONLY HAVE A CUSHIONING EFFECT ON THE HOUSING MARKET, AND WILL NOT

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BRING ABOUT COMPLETE HOUSING RECOVERY TO THE LEVELS THAT WERE ENJOYED
IN 1971 AND 1972. THIS CAN ONLY BE DONE BY ACCOMPLISHING OUR MAJOR
OBJECTIVE -- OF WINNING THE BATTLE AGAINST INFLATION -- SOMETHING
WE MUST ALL DEDICATE OURSELVES TO AND REDOUBLE OUR EFFORTS TO
ACHIEVE.

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AND BEFORE CLOSING, I WOULD LIKE TO FOCUS YOUR ATTENTION ON THE OTHER ITEM ON WHICH WE MUST WORK HARD RIGHT NOW IN THE DAYS AND WEEKS AHEAD.

ELECTION DAY -- 1974.

IT IS LESS THAN EIGHT WEEKS OFF AND, UNFORTUNATELY, WE STILL HAVE A STRENUOUS EFFORT ON THE PART OF BIG LABOR, LIBERAL PRESSURE GROUPS AND THE CONTROLLING LEFT WING OF THE DEMOCRAT PARTY TO WIN, AS A FINAL LEGACY OF WATERGATE, SUCH OVERWHELMING CONTROL OF THE CONGRESS THAT THEY CAN SUCCESSFUL FULFILL THEIR IDEOLOGICAL DREAM OF A VETO-PROOF CONGRESS.

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THEY WANT -- AND WILL GET IF WE DO NOT DO SOMETHING NOW TO STOP IT -- UNLIMITED CONTROL OF PUBLIC POLICY MAKING IN THIS COUNTRY. THEY WANT TO BE FREE OF THE OBSTACLES THAT A PRESIDENTIAL VETO CAN PUT IN THEIR WAY.

THEY WANT TO BE FREE TO SPEND AS MUCH OF YOUR MONEY AS THEY WANT WITHOUT ALLOWING A PRESIDENT THE POWER TO RAISE THE UNPLEASANT SUBJECT OF FISCAL REALITY TO GET IN THE WAY OF THEIR BIG-SPENDING, ALMOST UTOPIAN VISIONS OF A NATION DIRECTED FROM WASHINGTON.

IF THEY ACHIEVE THEIR GOAL, THIS YEAR, IN THIS ELECTION, THEN THE ABILITY OF PRESIDENT FORD TO DEAL MEANINGFULLY WITH ANY OF THE

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PROBLEMS WE FACE IS A DEAD-ISSUE. HE'LL HAVE NONE.

IF THEY SUCCEED, THEN THE CREATIVE TENSIONS THAT HEALTHY DEBATE IN THE CONGRESS AND THE COUNTRY WILL BE LOST AS THE EFFECTIVENESS OF A SOLID TWO PARTY SYSTEM IS RENDERED IMPOTENT AT LEAST DURING THIS NEXT CONGRESS.

IF THEY SUCCEED -- THEN THERE WILL BE NO RESTRAINTS ON THE LIBERAL IMPULSE TO CONTROL, TO REGULATE, TO SPEND.

AND IF THEY SUCCEED, LET ME BE FRANK, IT WILL BE OUR FAULT, MINE AND YOURS.

WORK HARDER

THE LIBERALS ARE ORGANIZED AND THEY ARE HARD AT WORK. WE, WHO BELIEVE IN FREE ENTERPRISE, IN LIMITED GOVERNMENT AND FEDERAL

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BUDGETARY RESTRAINT, ARE SAD TO SAY, NOT SO HARD AT WORK.

BUSINESSMEN, WHO HAVE AS MUCH TO LOSE FROM A VETO-PROOF CONGRESS AS ANYONE IN THIS COUNTRY, ARE BY AND LARGE, AS APATHETIC NOW AS THEY HAVE BEEN, UNFORTUNATELY, FOR THE LAST SEVERAL YEARS.

GET INVOLVED

YOU HAVE SOMETHING TO CONTRIBUTE TO THE DIALOGUE OF POLITICS IN THIS COUNTRY. I HOPE THAT YOU WILL MAKE THAT CONTRIBUTION, NOW IN THE CURRENT CAMPAIGN AND IN THE FUTURE AS WELL. IT IS NOT A ONE SHOT FIGHT WE ARE IN. THE LIBERALS HAVE BEEN HARD AT WORK IN THIS COUNTRY, AND MAKING PROGRESSIVE POLITICAL GAINS FOR THE LAST FOUR DECADES AT LEAST.

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THEY MAY WIN. GEORGE MEANY AND BIG LABOR, THE ACLU, THE
McGOVERNITE LEFT, MAY WIN. BUT I SUGGEST THAT THEY CAN ONLY WIN IN
A COUNTRY LIKE OURS, WHERE THE COMMON SENSE OF THE AMERICAN PEOPLE
IS SELF-EVIDENT, IF WE TAKE AN ACTIVE ROLE IN OUR POLITICS. THEY
CAN WIN, I REPEAT, BUT I URGE YOU, DON'T LET THEM WIN BY DEFAULT.

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