

REMARKS OF SENATOR BOB DOLE
DALLAS COUNTY REPUBLICAN MEN'S CLUB

DALLAS, TEXAS

AUGUST 21, 1978

1978 can be a watershed year in American politics, a year when the voters of this nation strike a blow for common sense in government, a year when the seemingly endless acceleration of power away from the people towards Washington is finally throttled down, a year when traditional American notions of statecraft are firmly reimprinted on the fabric of government.

It's a year of hope--and opportunity--for the Republican Party, for voters everywhere who share our philosophy of government, who believe we must chart a new course for America at home and abroad, a course which leads to lower taxes, economic stability, and the resurgence of American prestige worldwide.

STRENGTH OF THE G.O.P.

The American people are looking for political leaders who say what they mean and do what they say, not for political opportunists who mimic the mood of the moment just to win elections. And that's the great strength of the Republican Party in 1978. Unlike our opponents, unlike President Carter, Republicans needn't change their philosophy of government to win elections. Because the concerns, the fears, the frustrations of the American people this year are and have been Republican concerns, fears, and frustrations for years.

There's not a force in American society today better equipped to stop government meddling in our private lives, to restore America's sagging fortunes around the globe, to put an end to government-induced double digit inflation, and to lead the battle for meaningful tax relief than the Republican Party.

In the national arena, we must contrast our initiatives on tax reduction, spending restraint, national defense, and economic growth with the lack of clearly focused policies from the White House and Congress. And President Carter seems eager to help us. On issue after issue, policy after policy, the Administration has stumbled, hesitated, shifted direction, and confused both its supporters and detractors.

REASONS TO VOTE REPUBLICAN

But the President's disappointing performance will not be enough. Texans aren't going to vote for Republicans simply because we say the Democrats are bad and we're available. And neither will voters in other parts of the nation.

We've got to give the people of Texas, the people of America, a positive reason to vote for our candidates. And I think we're doing just that.

TAX REDUCTION

Take taxes, for example. President Carter has proposed more tax increases and opposed more tax reductions than any President in recent history. He's already signed a \$225 billion Social Security tax hike, proposed another \$125 billion in energy taxes, and threatened to impose \$12 billion in oil import fees. And he has repeatedly resisted Republican-sponsored tax reduction initiatives.

Indeed, nearly every effort to reduce the tax burden on the American people has been met with strong opposition by this Administration, by demagogic charges of tax windfalls for the wealthy, by trumped-up statistics designed to lead the American people to believe that our tax reduction programs will benefit only a chosen few.

--more--

Fortunately, the American people aren't falling for such demagoguery. Republican tax reduction proposals have received strong support in Washington, even from many Democrats. The American people know that we are not "Johnny-come-latelies" to the so-called tax revolt. We've been in the trenches, fighting the battles, pressing for tax relief long before "Proposition 13 Fever" swept the nation.

TAXES AND FREE ENTERPRISE

We've long understood that private enterprise is the key to American economic prosperity, that businesses and individuals desperately need more capital for job-creating investment. For years, we've been labeled as lackeys for big business and proponents of tax breaks for the wealthy. Our opponents charged that we were callous and insensitive, caring only about the needs of the wealthy few to the detriment of the average working man and woman. We know that's not true. But, until now, we've had a hard time convincing the voters. Finally, things have changed. Even Democrats long opposed to tax incentives for private enterprise have softened their opposition to investment tax incentives. Because policies which encourage corporations and individuals to invest their resources, rather than pay high taxes, are good for everyone, not just for stockholders and fat cats.

The Steiger-Hansen Capital Gains Tax Reduction Bill vividly demonstrates the widespread support for this reaffirmation of faith in the free enterprise system, for innovative new tax policies which do something concrete about two of the worst toxins in our body politic--unemployment and inflation.

For too long, the federal government has been trying to generate investment and employment by simply priming the federal pump, but has succeeded only in increasing government spending five-fold since the mid-1960's; reintroducing double-digit inflation to our economy, and diminishing the savings of retired people who must sell their homes and other capital assets to obtain enough cash to live on in their later years.

CAPITAL GAINS TAX REDUCTION

A substantial cut in capital gains taxes can ease the burdens on the elderly, curtail some of the harshest effects of inflation, and lead to the creation of hundreds of thousands of new jobs within the next few years. It is, as the Wall Street Journal said, not just "one tax provision among many, but the cutting edge of an important intellectual and financial breakthrough". Capital gains tax relief will reaffirm a forgotten American economic principle by offering investors the possibility of meaningful profit in return for assuming the risks of a new endeavor. No economic philosophy has ever out-performed this one. And none is likely to in the years and decades ahead.

If President Carter and other opponents wish to criticize our efforts to create a more rewarding investment climate in this nation, they can. But I am confident the American people will see through such "populist" rhetoric.

Nor will the American people be persuaded that substantial individual tax cuts necessarily threaten essential government services.

INFLATION AND TAXES

I also think we have an obligation to the American people, to the taxpayers, to do something about inflation-induced tax increases which have fed the engine of big government for too long. I have proposed legislation to exclude inflationary, phantom increases in wages from federal income taxes. And Congressman Bill Archer of Houston succeeded in getting a provision in the House-passed tax bill to disregard, for capital gains tax purposes, the appreciation in the value of homes and other capital assets caused by inflation.

This so-called "indexing" of the tax system would leave more money in the hands of the people who earn it. It would force the big spenders in Washington to vote for tax increases and not permit inflation to automatically increase federal revenues by taxing phantom inflation-caused capital gains and by pushing working Americans into higher and higher tax brackets each year. It's a bold plan, one which would put a lid on taxes and force federal spending restraint.

Other Republicans--Congressman Kemp, Senator Roth, and Senator Javits, to name a few--have sponsored varying tax restraint programs. And the overwhelming logic of such tax relief plans has attracted many Democrats to our cause.

RESTRAINT ON TAX CUTS

As Republicans, we do not and should not advocate unrealistic spending and tax reduction policies which could force government to abandon its commendable efforts to help the needy, turn a deaf ear to the unquestioned needs of our cities, or dismantle the defense establishment. We know that government can be a positive force in American society, that government can provide a wide range of important public services without incurring huge budget deficits, without extracting unnecessary billions of dollars in taxes each year from the American people, and without double-digit inflation.

OTHER ISSUES

We can cut out needless government regulation of business and industry. We can reduce the now unrestrained growth of federal taxes. We can provide for a national defense second to none. We can do all these things and still fund and expand necessary and prudent human service programs for our people. I, for one, support a nationwide federal program of Catastrophic Health Insurance for the American people. I have supported food stamps for the poor, stepped up federal nutrition programs, and federal incentive programs to restore the health of our nation's cities. Because I believe if we cut out unnecessary bureaucracy, reduce the federal payroll, limit federal intervention in the economy, and implement tax policies which encourage a vigorous private economy, we can afford to fund people-oriented programs without exacting ever-increasing taxes and without high inflation.

REFORMING THE REPUBLICAN IMAGE

We can be true to our Republican principles, to the fundamental American notion of limited, yet responsive government. And if we are, we can reap the electoral benefits.

But it won't be easy. Too many Americans still view our party as a cadre of elitists, men and women who care for the rich and not the poor, those who can help themselves and not those who need help. You and I know that's not true. And a growing number of Americans are beginning to realize that what we stand for does best serve their interests, that lower taxes and reduced inflation will help all Americans--the poor, the middle class, the well to do.

And that's the message we must carry into every state, every county, every city, every precinct of this land in 1978.

The issues this year are our issues, the opportunities are there. 1978 can be the year when we take the first steps toward restoring balance and rebuilding the two-party system in America. If we are successful this year, if Republicans make meaningful gains in Texas and around this nation in November, the hopes and dreams of the average American can be realized.

It's a challenge, an opportunity. Let us not let it pass.

REMARKS OF SENATOR BOB DOLE

DALLAS COUNTY REPUBLICAN MEN'S CLUB

DALLAS, TEXAS

AUGUST 21, 1978

1978 CAN BE A WATERSHED YEAR IN AMERICAN POLITICS, A YEAR WHEN THE VOTERS OF THIS NATION STRIKE A BLOW FOR COMMON SENSE IN GOVERNMENT, A YEAR WHEN THE SEEMINGLY ENDLESS ACCELERATION OF POWER AWAY FROM THE PEOPLE TOWARDS WASHINGTON IS FINALLY THROTTLED DOWN, A YEAR WHEN TRADITIONAL AMERICAN NOTIONS OF STATECRAFT ARE FIRMLY REIMPRINTED ON THE FABRIC OF GOVERNMENT.

IT'S A YEAR OF HOPE--AND OPPORTUNITY--FOR THE REPUBLICAN PARTY, FOR VOTERS EVERYWHERE WHO SHARE OUR PHILOSOPHY OF GOVERNMENT, WHO BELIEVE WE MUST CHART A NEW COURSE FOR AMERICA AT HOME AND ABROAD, A COURSE WHICH LEADS TO LOWER TAXES, ECONOMIC STABILITY, AND THE RESURGENCE OF AMERICAN PRESTIGE WORLDWIDE.

STRENGTH OF THE G.O.P.

THE AMERICAN PEOPLE ARE LOOKING FOR POLITICAL LEADERS WHO SAY WHAT THEY MEAN AND DO WHAT THEY SAY, NOT FOR POLITICAL OPPORTUNISTS WHO MIMIC THE MOOD OF THE MOMENT JUST TO WIN ELECTIONS. AND THAT'S THE GREAT STRENGTH OF THE REPUBLICAN PARTY IN 1978. UNLIKE OUR OPPONENTS, UNLIKE PRESIDENT CARTER, REPUBLICANS NEEDN'T CHANGE THEIR PHILOSOPHY OF GOVERNMENT TO WIN ELECTIONS. BECAUSE THE CONCERNS, THE FEARS, THE FRUSTRATIONS OF THE AMERICAN PEOPLE THIS YEAR ARE AND HAVE BEEN REPUBLICAN CONCERNS, FEARS, AND FRUSTRATIONS FOR YEARS.

THERE'S NOT A FORCE IN AMERICAN SOCIETY TODAY BETTER EQUIPPED TO STOP GOVERNMENT MEDDLING IN OUR PRIVATE LIVES, TO RESTORE AMERICA'S SAGGING FORTUNES AROUND THE GLOBE, TO PUT AN END TO GOVERNMENT-INDUCED DOUBLE DIGIT INFLATION, AND TO LEAD THE BATTLE FOR MEANINGFUL TAX RELIEF THAN THE REPUBLICAN PARTY.

IN THE NATIONAL ARENA, WE MUST CONTRAST OUR INITIATIVES ON TAX REDUCTION, SPENDING RESTRAINT, NATIONAL DEFENSE, AND ECONOMIC GROWTH WITH THE LACK OF CLEARLY FOCUSED POLICIES FROM THE WHITE HOUSE AND CONGRESS. AND PRESIDENT CARTER SEEMS EAGER TO HELP US. ON ISSUE AFTER ISSUE, POLICY AFTER POLICY, THE ADMINISTRATION HAS STUMBLED, HESITATED, SHIFTED DIRECTION, AND CONFUSED BOTH ITS SUPPORTERS AND DETRACTORS.

REASONS TO VOTE REPUBLICAN

BUT THE PRESIDENT'S DISAPPOINTING PERFORMANCE WILL NOT BE ENOUGH. TEXANS AREN'T GOING TO VOTE FOR REPUBLICANS SIMPLY BECAUSE WE SAY THE DEMOCRATS ARE BAD AND WE'RE AVAILABLE. AND NEITHER WILL VOTERS IN OTHER PARTS OF THE NATION.

WE'VE GOT TO GIVE THE PEOPLE OF TEXAS, THE PEOPLE OF AMERICA, A POSITIVE REASON TO VOTE FOR OUR CANDIDATES. AND I THINK WE'RE DOING JUST THAT.

TAX REDUCTION

TAKE TAXES, FOR EXAMPLE. PRESIDENT CARTER HAS PROPOSED MORE TAX INCREASES AND OPPOSED MORE TAX REDUCTIONS THAN ANY PRESIDENT IN RECENT HISTORY. HE'S ALREADY SIGNED A \$225 BILLION SOCIAL SECURITY TAX HIKE, PROPOSED ANOTHER \$125 BILLION IN ENERGY TAXES, AND THREATENED TO IMPOSE \$12 BILLION IN OIL IMPORT FEES. AND HE HAS REPEATEDLY RESISTED REPUBLICAN-SPONSORED TAX REDUCTION INITIATIVES.

INDEED, NEARLY EVERY EFFORT TO REDUCE THE TAX BURDEN ON THE AMERICAN PEOPLE HAS BEEN MET WITH STRONG OPPOSITION BY THIS ADMINISTRATION, BY DEMAGOGIC CHARGES OF TAX WINDFALLS FOR THE WEALTHY, BY TRUMPED-UP STATISTICS DESIGNED TO LEAD THE AMERICAN PEOPLE TO BELIEVE THAT OUR TAX REDUCTION PROGRAMS WILL BENEFIT ONLY A CHOSEN FEW.

FORTUNATELY, THE AMERICAN PEOPLE AREN'T FALLING FOR SUCH DEMAGOGUERY. REPUBLICAN TAX REDUCTION PROPOSALS HAVE RECEIVED STRONG SUPPORT IN WASHINGTON, EVEN FROM MANY DEMOCRATS. THE AMERICAN PEOPLE KNOW THAT WE ARE NOT "JOHNNY-COME-LATELIES" TO THE SO-CALLED TAX REVOLT. WE'VE BEEN IN THE TRENCHES, FIGHTING THE BATTLES, PRESSING FOR TAX RELIEF LONG BEFORE "PROPOSITION 13 FEVER" SWEEPED THE NATION.

TAXES AND FREE ENTERPRISE

WE'VE LONG UNDERSTOOD THAT PRIVATE ENTERPRISE IS THE KEY TO AMERICAN ECONOMIC PROSPERITY, THAT BUSINESSES AND INDIVIDUALS DESPERATELY NEED MORE CAPITAL FOR JOB-CREATING INVESTMENT. FOR YEARS, WE'VE BEEN LABELED AS LACKEYS FOR BIG BUSINESS AND PROPONENTS OF TAX BREAKS FOR THE WEALTHY. OUR OPPONENTS CHARGED THAT WE WERE CALLOUS AND INSENSITIVE, CARING ONLY ABOUT THE NEEDS OF THE WEALTHY FEW TO THE DETRIMENT OF THE AVERAGE WORKING MAN AND WOMAN. WE KNOW THAT'S NOT TRUE. BUT, UNTIL NOW, WE'VE HAD A HARD TIME CONVINCING THE VOTERS. FINALLY, THINGS HAVE CHANGED. EVEN DEMOCRATS LONG OPPOSED TO TAX INCENTIVES FOR PRIVATE ENTERPRISE HAVE SOFTENED THEIR OPPOSITION TO INVESTMENT TAX INCENTIVES, BECAUSE POLICIES WHICH ENCOURAGE CORPORATIONS AND INDIVIDUALS TO INVEST THEIR RESOURCES, RATHER THAN PAY HIGH TAXES, ARE GOOD FOR EVERYONE, NOT JUST FOR STOCKHOLDERS AND FAT CATS.

THE STEIGER-HANSEN CAPITAL GAINS TAX REDUCTION BILL VIVIDLY DEMONSTRATES THE WIDESPREAD SUPPORT FOR THIS REAFFIRMATION OF FAITH IN THE FREE ENTERPRISE SYSTEM, FOR INNOVATIVE NEW TAX POLICIES WHICH DO SOMETHING CONCRETE ABOUT TWO OF THE WORST TOXINS IN OUR BODY POLITIC--UNEMPLOYMENT AND INFLATION.

FOR TOO LONG, THE FEDERAL GOVERNMENT HAS BEEN TRYING TO GENERATE INVESTMENT AND EMPLOYMENT BY SIMPLY PRIMING THE FEDERAL PUMP, BUT HAS SUCCEEDED ONLY IN INCREASING GOVERNMENT SPENDING FIVE-FOLD SINCE THE MID-1960'S: REINTRODUCING DOUBLE-DIGIT INFLATION TO OUR ECONOMY, AND DIMINISHING THE SAVINGS OF RETIRED PEOPLE WHO MUST SELL THEIR HOMES AND OTHER CAPITAL ASSETS TO OBTAIN ENOUGH CASH TO LIVE ON IN THEIR LATER YEARS.

CAPITAL GAINS TAX REDUCTION

A SUBSTANTIAL CUT IN CAPITAL GAINS TAXES CAN EASE THE BURDENS ON THE ELDERLY, CURTAIL SOME OF THE HARSH EST EFFECTS OF INFLATION, AND LEAD TO THE CREATION OF HUNDREDS OF THOUSANDS OF NEW JOBS WITHIN THE NEXT FEW YEARS. IT IS, AS THE WALL STREET JOURNAL SAID, NOT JUST "ONE TAX PROVISION AMONG MANY, BUT THE CUTTING EDGE OF AN IMPORTANT INTELLECTUAL AND FINANCIAL BREAKTHROUGH". CAPITAL GAINS TAX RELIEF WILL REAFFIRM A FORGOTTEN AMERICAN ECONOMIC PRINCIPLE BY OFFERING INVESTORS THE POSSIBILITY OF MEANINGFUL PROFIT IN RETURN FOR ASSUMING THE RISKS OF A NEW ENDEAVOR. NO ECONOMIC PHILOSOPHY HAS EVER OUT-PERFORMED THIS ONE. AND NONE IS LIKELY TO IN THE YEARS AND DECADES AHEAD.

IF PRESIDENT CARTER AND OTHER OPPONENTS WISH TO CRITICIZE OUR EFFORTS TO CREATE A MORE REWARDING INVESTMENT CLIMATE IN THIS NATION, THEY CAN. BUT I AM CONFIDENT THE AMERICAN PEOPLE WILL SEE THROUGH SUCH "POPULIST" RHETORIC.

NOR WILL THE AMERICAN PEOPLE BE PERSUADED THAT SUBSTANTIAL INDIVIDUAL TAX CUTS NECESSARILY THREATEN ESSENTIAL GOVERNMENT SERVICES.

INFLATION AND TAXES

I ALSO THINK WE HAVE AN OBLIGATION TO THE AMERICAN PEOPLE, TO THE TAXPAYERS, TO DO SOMETHING ABOUT INFLATION-INDUCED TAX INCREASES WHICH HAVE FED THE ENGINE OF BIG GOVERNMENT FOR TOO LONG. I HAVE PROPOSED LEGISLATION TO EXCLUDE INFLATIONARY, PHANTOM INCREASES IN WAGES FROM FEDERAL INCOME TAXES. AND CONGRESSMAN BILL ARCHER OF HOUSTON SUCCEEDED IN GETTING A PROVISION IN THE HOUSE-PASSED TAX BILL TO DISREGARD, FOR CAPITAL GAINS TAX PURPOSES, THE APPRECIATION IN THE VALUE OF HOMES AND OTHER CAPITAL ASSETS CAUSED BY INFLATION.

THIS SO-CALLED "INDEXING" OF THE TAX SYSTEM WOULD LEAVE MORE MONEY IN THE HANDS OF THE PEOPLE WHO EARN IT. IT WOULD FORCE THE BIG SPENDERS IN WASHINGTON TO VOTE FOR TAX INCREASES AND NOT PERMIT INFLATION TO AUTOMATICALLY INCREASE FEDERAL REVENUES BY TAXING PHANTOM INFLATION-CAUSED CAPITAL GAINS AND BY PUSHING WORKING AMERICANS INTO HIGHER AND HIGHER TAX BRACKETS EACH YEAR. IT'S A BOLD PLAN, ONE WHICH WOULD PUT A LID ON TAXES AND FORCE FEDERAL SPENDING RESTRAINT.

OTHER REPUBLICANS--CONGRESSMAN KEMP, SENATOR ROTH, AND SENATOR JAVITS, TO NAME A FEW--HAVE SPONSORED VARYING TAX RESTRAINT PROGRAMS. AND THE OVERWHELMING LOGIC OF SUCH TAX RELIEF PLANS HAS ATTRACTED MANY DEMOCRATS TO OUR CAUSE.

RESTRAINT ON TAX CUTS

AS REPUBLICANS, WE DO NOT AND SHOULD NOT ADVOCATE UNREALISTIC SPENDING AND TAX REDUCTION POLICIES WHICH COULD FORCE GOVERNMENT TO ABANDON ITS COMMENDABLE EFFORTS TO HELP THE NEEDY, TURN A DEAF EAR TO THE UNQUESTIONED NEEDS OF OUR CITIES, OR DISMANTLE THE DEFENSE ESTABLISHMENT. WE KNOW THAT GOVERNMENT CAN BE A POSITIVE FORCE IN AMERICAN SOCIETY, THAT GOVERNMENT CAN PROVIDE A WIDE RANGE OF IMPORTANT PUBLIC SERVICES WITHOUT INCURRING HUGE BUDGET DEFICITS, WITHOUT EXTRACTING UNNECESSARY BILLIONS OF DOLLARS IN TAXES EACH YEAR FROM THE AMERICAN PEOPLE, AND WITHOUT DOUBLE-DIGIT INFLATION.

OTHER ISSUES

WE CAN CUT OUT NEEDLESS GOVERNMENT REGULATION OF BUSINESS AND INDUSTRY. WE CAN REDUCE THE NOW UNRESTRAINED GROWTH OF FEDERAL TAXES. WE CAN PROVIDE FOR A NATIONAL DEFENSE SECOND TO NONE. WE CAN DO ALL THESE THINGS AND STILL FUND AND EXPAND NECESSARY AND PRUDENT HUMAN SERVICE PROGRAMS FOR OUR PEOPLE. I, FOR ONE, SUPPORT A NATIONWIDE FEDERAL PROGRAM OF CATASTROPHIC HEALTH INSURANCE FOR THE AMERICAN PEOPLE. I HAVE SUPPORTED FOOD STAMPS FOR THE POOR, STEPPED UP FEDERAL NUTRITION PROGRAMS, AND FEDERAL INCENTIVE PROGRAMS TO RESTORE THE HEALTH OF OUR NATION'S CITIES. BECAUSE I BELIEVE IF WE CUT OUT UNNECESSARY BUREAUCRACY, REDUCE THE FEDERAL PAYROLL, LIMIT FEDERAL INTERVENTION IN THE ECONOMY, AND IMPLEMENT TAX POLICIES WHICH ENCOURAGE A VIGOROUS PRIVATE ECONOMY, WE CAN AFFORD TO FUND PEOPLE-ORIENTED PROGRAMS WITHOUT EXACTING EVER-INCREASING TAXES AND WITHOUT HIGH INFLATION.

REFORMING THE REPUBLICAN IMAGE

WE CAN BE TRUE TO OUR REPUBLICAN PRINCIPLES, TO THE FUNDAMENTAL AMERICAN NOTION OF LIMITED, YET RESPONSIVE GOVERNMENT. AND IF WE ARE, WE CAN REAP THE ELECTORAL BENEFITS.

BUT IT WON'T BE EASY. TOO MANY AMERICANS STILL VIEW OUR PARTY AS A CADRE OF ELITISTS, MEN AND WOMEN WHO CARE FOR THE RICH AND NOT THE POOR, THOSE WHO CAN HELP THEMSELVES AND NOT THOSE WHO NEED HELP. YOU AND I KNOW THAT'S NOT TRUE. AND A GROWING NUMBER OF AMERICANS ARE BEGINNING TO REALIZE THAT WHAT WE STAND FOR DOES BEST SERVE THEIR INTERESTS, THAT LOWER TAXES AND REDUCED INFLATION WILL HELP ALL AMERICANS--THE POOR, THE MIDDLE CLASS, THE WELL TO DO.

AND THAT'S THE MESSAGE WE MUST CARRY INTO EVERY STATE,
EVERY COUNTY, EVERY CITY, EVERY PRECINCT OF THIS LAND IN
1978.

THE ISSUES THIS YEAR ARE OUR ISSUES, THE OPPORTUNITIES ARE
THERE. 1978 CAN BE THE YEAR WHEN WE TAKE THE FIRST STEPS
TOWARD RESTORING BALANCE AND REBUILDING THE TWO-PARTY SYSTEM
IN AMERICA. IF WE ARE SUCCESSFUL THIS YEAR, IF REPUBLICANS
MAKE MEANINGFUL GAINS IN TEXAS AND AROUND THIS NATION IN
NOVEMBER, THE HOPES AND DREAMS OF THE AVERAGE AMERICAN
CAN BE REALIZED.

IT'S A CHALLENGE, AN OPPORTUNITY. LET US NOT LET IT PASS.