

REMARKS OF SENATOR BOB DOLE

IOWA YOUNG PRESIDENT'S ORGANIZATION

FRIDAY, MARCH 16, 1979

I want you to know how pleased I am by this chance to speak with you, and to share some of my ideas about where America is and where she wants to go. One thing we can all agree upon. We live in dangerous times, and can ill-afford to be complacent or confused. Yet that's precisely the atmosphere that grips official Washington these days.

I don't have to cite the litany of failures which the Carter Administration presents to anyone who would ponder the last two years. Think back to where we stood in January, 1977. We had an economy whose rate of inflation had been cut in half, to less than 5 percent. We had a national mood still fresh with the promise of the bicentennial. People felt good about themselves, about their neighbors, about their country.

We had a President who shared my concern about the steady erosion of America's place in the world. Gerald Ford was concerned enough about the decline in American military strength to go before the Congress and propose a five-year shipbuilding program, to replenish our depleted Navy. That proposal, which I still support strongly, has been allowed to fall by the wayside. But the Carter Administration has not been content with mere inaction. It has killed the B-1 Bomber, deferred the Tomahawk Cruise Missile, and allowed the MX Missile to languish in bureaucratic limbo. It puts the best possible interpretation on the motives of enemies--and then calls it realistic restraint.

AN ECONOMY UNDER SIEGE

All of these developments should concern the people of Iowa. They certainly concern me. When inflation rises to double-digit levels as it has recently, we're faced with an economic cancer that corrodes the very confidence of people in the free enterprise system. The irony of this is simple--for it is government, not private enterprise, which stokes the furnace of inflation.

As I speak before you, the federal government administers over 80 agencies and employs over 100,000 people whose sole function is telling other people--especially businessmen--what they cannot do. The decision earlier this week by Standard Oil to abandon a California to Texas pipeline is only the latest example of the hardships imposed by excessive government regulation. We all will suffer as a result.

I think we can do better. That's why I've introduced legislation to create a modern version of the old Hoover Commission which together saved the taxpayers from \$8 to \$12 billion in the 1940's and 50's. This time, I'd like to see my friend, Jerry Ford, chair a commission charged with reducing the mountains of paperwork that threaten to drown the economic dreams of thousands. This is a major step toward reducing government imposed inflation. It should be followed by others.

For too long in this country, ever since Franklin Roosevelt discovered that there were more low-income voters in the electorate than Fortune 500 executives, we've seen government perverted into a sort of we versus they mentality. If only corporate America could be taxed high enough for long enough, so goes the leftwing argument, government would have no trouble raising the funds with which to create the new paradise, conceived in dictation and dedicated to the proposition that all men have a right to consume instead of produce.

There is only one problem with this theory. It doesn't work. For the private sector is the only employer of any reliability in this country. Insofar as you tax it beyond its legitimate capacity to pay, you bleed it of incentive to produce. You steal its ability to expand, to modernize, to find new technologies to solve new problems.

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Big government actually undermines the private job market. It contributes to the ravages of inflation, which fall with special cruelty upon the poor, and it does nothing to stimulate the technological brilliance which Americans have, in the past, proved to be their special realm.

Look around the world today: In Japan, West Germany, France, foreign technology is outstripping our own, with dire consequences at a time when we are so vulnerable to outside suppliers for everything from heating oil to our morning coffee.

A BATTLE PLAN AGAINST INFLATION

Government can, if it chooses, help reverse the 40 year erosion of incentive. Last year the Senate Finance Committee, on which I serve as ranking Republican, made a start. We lowered the maximum corporate tax rate from 48 to 46 percent. I want to lower it further--to 42 percent. But only with a president who is willing to push and push hard for a measure is it likely to stand a chance of enactment.

By the same token, the time has come to put a lid on our seemingly uncontrollable urge to tax and spend. The alternative is almost too depressing to think about--permanent and crippling inflation, swollen unemployment caused by government's weakening of the underpinnings of private incentive.

I've proposed a workable cap on both taxes and federal spending, limiting both to 18 percent of the Gross National Product, down from the current level of 22 percent. At the same time, I've recognized the concerns of those who don't wish to hamstring government in times of national emergency. My proposal would permit spending to rise above the 18 percent plateau if 2/3 of the Congress were willing to vote for such an exception.

Now maybe this approach is imperfect. Others may seek to improve it. I say more power to them. What I cannot understand is the paranoia of federal officials toward the very concept of a balanced budget. For them, a constitutional amendment would be medicine worse than the illness.

To penetrate that arrogance, to convert bureaucratic hostility into outright support--this too will require a man in the White House who is not afraid of using his enormous reserve of moral and political capital to purchase fundamental reforms in the way we spend our wealth.

The same kind of leadership is required to reform the deceptive and unfair tax system, particularly the method by which inflation pushes the people into higher brackets, thereby eroding their purchasing power, even if swelled with a raise. I want to index the tax system, tying it to the Consumer Price Index instead of the political temperature of the Congress. Until we do this, people will go on being ripped off by election year headlines about "tax cuts" that give little, if any, real or lasting relief.

But I've been around Washington long enough to know that a White House unalterably opposed to such a reform can effectively block its adoption. And that's what we have today.

ENERGY: A BETTER WAY

Nowhere is my frustration greater than in the field of energy. Nowhere has the confusion and uncertainty of the Carter Administration had more harmful effect on the American people than in the energy field.

The President would have us ration and regulate what small supply of energy he perceives there to be. I prefer to encourage the private sector to develop new energy sources, while expanding the availability of existing ones.

In April of 1977, President Carter called the energy crisis the moral equivalent of war. Yet, he has chosen to fight the energy war with words instead of weapons. He sought to conserve energy by making it too expensive for many Americans to afford. He wanted to slap a 50¢ tax on gasoline, tax new cars, tax industrial use of oil and gas.

The President has yet to offer an energy solution. His answer to the problem comes in the form of taxes. Yet no one in his right mind could suggest that our economy is able to withstand more of Washington's Robin Hood complex. As you know too well, government has a habit of taking from the rich and giving to no one--and energy is too crucial for us to adopt one more sample of warmed-over New Deal.

I believe that we can be energy sufficient, if only government would direct its resources toward stimulating the private search for new ways of heating our homes and running our factories. The resources are there--crying out to be used.

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We have 1/3 of the world's energy resources in coal--yet we use comparatively little. It takes 12 or more years--twice as long as in other countries--to build a nuclear electric plant. The Senate Finance Committee has estimated that up to 100 years of oil might be recovered from America's shale oil deposits. Yet the Carter Administration opposes incentives to begin exploiting such resources.

By relaxing our requirements on unleaded gasoline, we could add several hundred thousand barrels of oil each day. By approaching Mexico with a fair trade of American industrial and economic expertise for a fair share of that country's vast oil and gas reserves, we could dramatically reduce our deadly dependence on the unstable Middle East.

In the Midwest, agriculture and forestry products can be converted to gasohol--a blend of such products with alcohol which can help to fuel our cars. Last year Congress passed an amendment I sponsored to eliminate the tax on gasoline used as gasohol.

By offering tax incentives to producers, we can encourage new production--not only of oil and gas, but of alternative sources--solar power, wind and water, geothermal and nuclear. Such an approach is better than the current bureaucratic one because it imposes no artificial limit on what we may produce. Research and development shouldn't depend on the annual budget of the Energy Department, and neither should the jobs that such exploration could create.

Ideas such as these do not get enacted of themselves. They must be promoted relentlessly by a president who understands the potential--and the limitations--of our political process, who knows the workings of Congress and who can effectively appeal to the best instincts of the American people.

THE CHALLENGE TO LEADERSHIP

It is that kind of leadership that we are sorely lacking today. We have instead a government whose good intentions far outnumber its solid achievements.

The President, if he so chooses, is in an excellent position to influence the course of mankind. He is free to pursue ideals of human rights and international justice--but only so long as his ideals are backed by military strength second to none. That is the sad but true equation that governs the world we live in.

I've called for a new bipartisanship, replacing the old one that grew up in the rubble of wartorn Europe. The new bipartisanship recognizes America's role in the world as freedom's ultimate guardian. It prefers advance to retreat. It is willing to make economic and political sacrifices to insure that America's military focus is pre-eminent--not because we wish to dominate the world, but because we wish no other power to dominate it.

But the new bipartisanship must rely on strong presidential leadership to give focus to the people's desire to stand up for what is right and in our national interest.

Leadership is not always easy to define. It is not a man on horseback, despite the attractions of such an image for some. Shouting at a problem will not make it go away. Slogans are not to be confused with solutions.

But neither is leadership the bumbling, if well-intentioned, efforts of the current Administration. We all hope the President's efforts in the Middle East will bear fruit. He deserves credit for his attempt to bring peace to that wartorn region. But prior experience has taught us to be wary about proclaiming a permanent end to the age-old conflict between Arab and Jew. Aside from this still indefinite objective, President Carter has precious little to put on his campaign brochures for 1980.

His opponents have no shortage of material. We can point to an economy that's both sluggish and dangerously inflated, to an energy crisis unresolved, to a health care system that threatens millions with financial bankruptcy in the event of catastrophic illness, to a farm policy that prefers to curtail domestic production of soybeans, sugar, and cattle in favor of imports from abroad.

But you don't beat something, even something like the Carter Administration, with nothing. We must propose instead of merely oppose. We must set forth a positive alternative to more of the same. We must remember that ideological purity comes second to improving the lives and the livelihood of those whose support we seek. We must earn the White House and the enormous responsibilities that come with it.

THE LESSONS OF SERVICE

For ten years now, I've served in the United States Senate, where I've participated in the growing debate over the direction in which free government in this country is headed. In my work on the Finance and Agriculture Committees, I've sought to accomplish something more lasting than newspaper headlines. It's not very hard to get a headline in Washington. But neither is it leadership.

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As Gerald Ford's running mate in 1976, I had an opportunity first-hand to know thousands of people, in all walks of life, from all economic stations. I talked with them on farms and in decaying urban neighborhoods. I shared in their vision of a better, brighter America. They have problems, and insofar as government can responsibly address those problems, it has an obligation to do so. To ignore them is to invite the fate of the dodo.

Inevitably, it's the President who sets government's tone for the duration of his Administration. Today's tone is incapable of leading to real accomplishment. I'm convinced that I could do better. That's why I'm here.

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I DON'T HAVE TO CITE THE LITANY OF FAILURES WHICH THE CARTER ADMINISTRATION PRESENTS TO ANYONE WHO WOULD PONDER THE LAST TWO YEARS. THINK BACK TO WHERE WE STOOD IN JANUARY, 1977. WE HAD AN ECONOMY WHOSE RATE OF INFLATION HAD BEEN CUT IN HALF, TO LESS THAN 5 PERCENT. WE HAD A NATIONAL MOOD STILL FRESH WITH THE PROMISE OF THE BICENTENNIAL. PEOPLE FELT GOOD ABOUT THEMSELVES, ABOUT THEIR NEIGHBORS, ABOUT THEIR COUNTRY.

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WE HAD A PRESIDENT WHO SHARED MY CONCERN ABOUT THE STEADY EROSION OF AMERICA'S PLACE IN THE WORLD. GERALD FORD WAS CONCERNED ENOUGH ABOUT THE DECLINE IN AMERICAN MILITARY STRENGTH TO GO BEFORE THE CONGRESS AND PROPOSE A FIVE-YEAR SHIPBUILDING PROGRAM, TO REPLENISH OUR DEPLETED NAVY. THAT PROPOSAL, WHICH I STILL SUPPORT STONGLY, HAS BEEN ALLOWED TO FALL BY THE WAYSIDE. BUT THE CARTER ADMINISTRATION HAS NOT BEEN CONTENT WITH MERE INACTION. IT HAS KILLED THE B-1 BOMBER, DEFFERED THE TOMAHAWK CRUISE MISSILE, AND ALLOWED THE MX MISSILE TO LANGUISH IN BUREAUCRATIC LIMBO. IT PUTS THE BEST POSSIBLE INTERPRETATION ON THE MOTIVES OF ENEMIES--AND THEN CALLS IT REALISTIC RESTRAINT.

AN ECONOMY UNDER SIEGE

ALL OF THESE DEVELOPMENTS SHOULD CONCERN THE PEOPLE OF IOWA. THEY CERTAINLY CONCERN ME. WHEN INFLATION RISES TO DOUBLE-DIGIT LEVELS AS IT HAS RECENTLY, WE'RE FACED WITH AN ECONOMIC CANCER THAT CORRODES THE VERY CONFIDENCE OF PEOPLE IN THE FREE ENTERPRISE SYSTEM. THE IRONY OF THIS IS SIMPLE--FOR IT IS GOVERNMENT, NOT PRIVATE ENTERPRISE, WHICH STOKES THE FURNACE OF INFLATION.

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AS I SPEAK BEFORE YOU, THE FEDERAL GOVERNMENT ADMINISTERS OVER 80 AGENCIES AND EMPLOYS OVER 100,000 PEOPLE WHOSE SOLE FUNCTION IS TELLING OTHER PEOPLE--ESPECIALLY BUSINESSMEN--WHAT THEY CANNOT DO. THE DECISION EARLIER THIS WEEK BY STANDARD OIL TO ABANDON A CALIFORNIA TO TEXAS PIPELINE IS ONLY THE LATEST EXAMPLE OF THE HARDSHIPS IMPOSED BY EXCESSIVE GOVERNMENT REGULATION. WE ALL WILL SUFFER AS A RESULT.

I THINK WE CAN DO BETTER. THAT'S WHY I'VE INTRODUCED LEGISLATION TO CREATE A MODERN VERSION OF THE OLD HOOVER COMMISSIONS WHICH TOGETHER SAVED THE TAXPAYERS FROM \$8 TO \$12 BILLION IN THE 1940'S AND 50'S. THIS TIME, I'D LIKE TO SEE MY FRIEND, JERRY FORD, CHAIR A COMMISSION CHARGED WITH REDUCING THE MOUNTAINS OF PAPERWORK THAT THREATEN TO DROWN THE ECONOMIC DREAMS OF THOUSANDS. THIS IS A MAJOR STEP TOWARD REDUCING GOVERNMENT IMPOSED INFLATION. IT SHOULD BE FOLLOWED BY OTHERS.

FOR TOO LONG IN THIS COUNTRY, EVER SINCE FRANKLIN ROOSEVELT DISCOVERED THAT THERE WERE MORE LOW-INCOME VOTERS IN THE ELECTORATE THAN FORTUNE 500 EXECUTIVES, WE'VE SEEN GOVERNMENT PERVERTED INTO A SORT OF WE VERSUS THEY MENTALITY. IF ONLY CORPORATE AMERICA COULD BE TAXED HIGH ENOUGH FOR LONG ENOUGH, SO GOES THE LEFTWING ARGUMENT, GOVERNMENT WOULD HAVE NO TROUBLE RAISING THE FUNDS WITH WHICH TO CREATE THE NEW PARADISE, CONCEIVED IN DICTATION AND DEDICATED TO THE PROPOSITION THAT ALL MEN HAVE A RIGHT TO CONSUME INSTEAD OF PRODUCE.

THERE IS ONLY ONE PROBLEM WITH THIS THEORY. IT DOESN'T WORK. FOR THE PRIVATE SECTOR IS THE ONLY EMPLOYER OF ANY RELIABILITY IN THIS COUNTRY. INsofar AS YOU TAX IT BEYOND ITS LEGITIMATE CAPACITY TO PAY, YOU BLEED IT OF INCENTIVE TO PRODUCE. YOU STEAL ITS ABILITY TO EXPAND, TO MODERNIZE, TO FIND NEW TECHNOLOGIES TO SOLVE NEW PROBLEMS.

BIG GOVERNMENT ACTUALLY UNDERMINES THE PRIVATE JOB MARKET. IT CONTRIBUTES TO THE RAVAGES OF INFLATION, WHICH FALL WITH SPECIAL CRUELTY UPON THE POOR, AND IT DOES NOTHING TO STIMULATE THE TECHNOLOGICAL BRILLIANCE WHICH AMERICANS HAVE, IN THE PAST, PROVED TO BE THEIR SPECIAL REALM.

LOOK AROUND THE WORLD TODAY: IN JAPAN, WEST GERMANY, FRANCE, FOREIGN TECHNOLOGY IS OUTSTRIPPING OUR OWN, WITH DIRE CONSEQUENCES AT A TIME WHEN WE ARE SO VULNERABLE TO OUTSIDE SUPPLIERS FOR EVERYTHING FROM HEATING OIL TO OUR MORNING COFFEE.

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A BATTLE PLAN AGAINST INFLATION

GOVERNMENT CAN, IF IT CHOOSES, HELP REVERSE THE 40 YEAR EROSION OF INCENTIVE. LAST YEAR THE SENATE FINANCE COMMITTEE, ON WHICH I SERVE AS RANKING REPUBLICAN, MADE A START. WE LOWERED THE MAXIMUM CORPORATE TAX RATE FROM 48 TO 46 PERCENT. I WANT TO LOWER IT FURTHER--TO 42 PERCENT. BUT ONLY WITH A PRESIDENT WHO IS WILLING TO PUSH AND PUSH HARD FOR A MEASURE IS IT LIKELY TO STAND A CHANCE OF ENACTMENT.

BY THE SAME TOKEN, THE TIME HAS COME TO PUT A LID ON OUR SEEMINGLY UNCONTROLLABLE URGE TO TAX AND SPEND. THE ALTERNATIVE IS ALMOST TOO DEPRESSING TO THINK ABOUT--PERMANENT AND CRIPPLING INFLATION, SWOLLEN UNEMPLOYMENT CAUSED BY GOVERNMENT'S WEAKENING OF THE UNDERPINNINGS OF PRIVATE INCENTIVE.

I'VE PROPOSED A WORKABLE CAP ON BOTH TAXES AND FEDERAL SPENDING, LIMITING BOTH TO 18 PERCENT OF THE GROSS NATIONAL PRODUCT, DOWN FROM THE CURRENT LEVEL OF 22 PERCENT. AT THE SAME TIME, I'VE RECOGNIZED THE CONCERNS OF THOSE WHO DON'T WISH TO HAMSTRING GOVERNMENT IN TIMES OF NATIONAL EMERGENCY. MY PROPOSAL WOULD PERMIT SPENDING TO RISE ABOVE THE 18 PERCENT PLATEAU IF 2/3 OF THE CONGRESS WERE WILLING TO VOTE FOR SUCH AN EXCEPTION.

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NOW MAYBE THIS APPROACH IS IMPERFECT. OTHERS MAY SEEK TO IMPROVE IT. I SAY MORE POWER TO THEM. WHAT I CANNOT UNDERSTAND IS THE PARANOIA OF FEDERAL OFFICIALS TOWARD THE VERY CONCEPT OF A BALANCED BUDGET. FOR THEM, A CONSTITUTIONAL AMENDMENT WOULD BE MEDICINE WORSE THAN THE ILLNESS.

TO PENETRATE THAT ARROGANCE, TO CONVERT BUREAUCRATIC HOSTILITY INTO OUTRIGHT SUPPORT--THIS TOO WILL REQUIRE A MAN IN THE WHITE HOUSE WHO IS NOT AFRAID OF USING HIS ENORMOUS RESERVE OF MORAL AND POLITICAL CAPITAL TO PURCHASE FUNDAMENTAL REFORMS IN THE WAY WE SPEND OUR WEALTH.

THE SAME KIND OF LEADERSHIP IS REQUIRED TO REFORM THE DECEPTIVE AND UNFAIR TAX SYSTEM, PARTICULARLY THE METHOD BY WHICH INFLATION PUSHES PEOPLE INTO HIGHER BRACKETS, THEREBY ERODING THEIR PURCHASING POWER, EVEN IF SWELLED WITH A RAISE. I WANT TO INDEX THE TAX SYSTEM, TYING IT TO THE CONSUMER PRICE INDEX INSTEAD OF THE POLITICAL TEMPERATURE OF THE CONGRESS. UNTIL WE DO THIS, PEOPLE WILL GO ON BEING RIPPED OFF BY ELECTION YEAR HEADLINES ABOUT "TAX CUTS" THAT GIVE LITTLE, IF ANY, REAL OR LASTING RELIEF.

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BUT I'VE BEEN AROUND WASHINGTON LONG ENOUGH TO KNOW THAT A WHITE HOUSE UNALTERABLY OPPOSED TO SUCH A REFORM CAN EFFECTIVELY BLOCK ITS ADOPTION. AND THAT'S WHAT WE HAVE TODAY.

ENERGY: A BETTER WAY

NOWHERE IS MY FRUSTRATION GREATER THAN IN THE FIELD OF ENERGY.
NOWHERE HAS THE CONFUSION AND UNCERTAINTY OF THE CARTER ADMINISTRATION HAD MORE HARMFUL EFFECT ON THE AMERICAN PEOPLE THAN IN THE ENERGY FIELD.

THE PRESIDENT WOULD HAVE US RATION AND REGULATE WHAT SMALL SUPPLY OF ENERGY HE PERCEIVES THERE TO BE. I PREFER TO ENCOURAGE THE PRIVATE SECTOR TO DEVELOP NEW ENERGY SOURCES, WHILE EXPANDING THE AVAILABILITY OF EXISTING ONES.

IN APRIL OF 1977, PRESIDENT CARTER CALLED THE ENERGY CRISIS THE MORAL EQUIVALENT OF WAR. YET, HE HAS CHOSEN TO FIGHT THE ENERGY WAR WITH WORDS INSTEAD OF WEAPONS. HE SOUGHT TO CONSERVE ENERGY BY MAKING IT TOO EXPENSIVE FOR MANY AMERICANS TO AFFORD. HE WANTED TO SLAP A 50¢ TAX ON GASOLINE, TAX NEW CARS, TAX INDUSTRIAL USE OF OIL AND GAS.

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THE PRESIDENT HAS YET TO OFFER AN ENERGY SOLUTION. HIS ANSWER TO THE PROBLEM COMES IN THE FORM OF TAXES. YET NO ONE IN HIS RIGHT MIND COULD SUGGEST THAT OUR ECONOMY IS ABLE TO WITHSTAND MORE OF WASHINGTON'S ROBIN HOOD COMPLEX. AS YOU KNOW TOO WELL, GOVERNMENT HAS A HABIT OF TAKING FROM THE RICH AND GIVING TO NO ONE--AND ENERGY IS TOO CRUCIAL FOR US TO ADOPT ONE MORE SAMPLE OF WARMED-OVER NEW DEAL.

I BELIEVE THAT WE CAN BE ENERGY SUFFICIENT, IF ONLY GOVERNMENT WOULD DIRECT ITS RESOURCES TOWARD STIMULATING THE PRIVATE SEARCH FOR NEW WAYS OF HEATING OUR HOMES AND RUNNING OUR FACTORIES. THE RESOURCES ARE THERE--CRYING OUT TO BE USED.

WE HAVE 1/3 OF THE WORLD'S ENERGY RESOURCES IN COAL--YET WE USE COMPARATIVELY LITTLE. IT TAKES 12 OR MORE YEARS--TWICE AS LONG AS IN OTHER COUNTRIES--TO BUILD A NUCLEAR ELECTRIC PLANT. THE SENATE FINANCE COMMITTEE HAS ESTIMATED THAT UP TO 100 YEARS OF OIL MIGHT BE RECOVERED FROM AMERICA'S SHALE OIL DEPOSITS. YET THE CARTER ADMINISTRATION OPPOSES INCENTIVES TO BEGIN EXPLOITING SUCH RESOURCES.

BE RELAXING OUR REQUIREMENTS ON UNLEADED GASOLINE, WE COULD ADD SEVERAL HUNDRED THOUSAND BARRELS OF OIL EACH DAY. BY APPROACHING MEXICO WITH A FAIR TRADE OF AMERICAN INDUSTRIAL AND ECONOMIC EXPERTISE FOR A FAIR SHARE OF THAT COUNTRY'S VAST OIL AND GAS RESERVES, WE COULD DRAMATICALLY REDUCE OUR DEADLY DEPENDENCE ON THE UNSTABLE MIDDLE EAST.

IN THE MIDWEST, AGRICULTURE AND FORESTRY PRODUCTS CAN BE CONVERTED TO GASOHOL--A BLEND OF SUCH PRODUCTS WITH ALCOHOL WHICH CAN HELP TO FUEL OUR CARS. LAST YEAR CONGRESS PASSED AN AMENDMENT I SPONSORED TO ELIMINATE THE TAX ON GASOLINE USED AS GASOHOL.

BY OFFERING TAX INCENTIVES TO PRODUCERS, WE CAN ENCOURAGE NEW PRODUCTION--NOT ONLY OF OIL AND GAS, BUT OF ALTERNATIVE SOURCES--SOLAR POWER, WIND AND WATER, GEOTHERMAL AND NUCLEAR. SUCH AN APPROACH IS BETTER THAN THE CURRENT BUREAUCRATIC ONE BECAUSE IT IMPOSES NO ARTIFICIAL LIMIT ON WHAT WE MAY PRODUCE. RESEARCH AND DEVELOPMENT SHOULDN'T DEPEND ON THE ANNUAL BUDGET OF THE ENERGY DEPARTMENT, AND NEITHER SHOULD THE JOBS THAT SUCH EXPLORATION COULD CREATE.

IDEAS SUCH AS THESE DO NOT GET ENACTED OF THEMSELVES. THEY MUST BE PROMOTED RELENTLESSLY BY A PRESIDENT WHO UNDERSTANDS THE POTENTIAL--AND THE LIMITATIONS--OF OUR POLITICAL PROCESS, WHO KNOWS THE WORKINGS OF CONGRESS AND WHO CAN EFFECTIVELY APPEAL TO THE BEST INSTINCTS OF THE AMERICAN PEOPLE.

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THE CHALLENGE TO LEADERSHIP

IT IS THAT KIND OF LEADERSHIP THAT WE ARE SORELY LACKING TODAY. WE HAVE INSTEAD A GOVERNMENT WHOSE GOOD INTENTIONS FAR OUTNUMBER ITS SOLID ACHIEVEMENTS.

THE PRESIDENT, IF HE SO CHOOSES, IS IN AN EXCELLENT POSITION TO INFLUENCE THE COURSE OF MANKIND. HE IS FREE TO PURSUE IDEALS OF HUMAN RIGHTS AND INTERNATIONAL JUSTICE -- BUT ONLY SO LONG AS HIS IDEALS ARE BACKED BY MILITARY STRENGTH SECOND TO NONE. THAT IS THE SAD BUT TRUE EQUATION THAT GOVERNS THE WORLD WE LIVE IN.

I'VE CALLED FOR A NEW BIPARTISANSHIP, REPLACING THE OLD ONE THAT GREW UP IN THE RUBBLE OF WARTORN EUROPE. THE NEW BIPARTISANSHIP RECOGNIZES AMERICA'S ROLE IN THE WORLD AS FREEDOM'S ULTIMATE GUARDIAN. IT PREFERS ADVANCE TO RETREAT. IT IS WILLING TO MAKE ECONOMIC AND POLITICAL SACRIFICES TO INSURE THAT AMERICA'S MILITARY FORCES ARE PRE-EMINENT -- NOT BECAUSE WE WISH TO DOMINATE THE WORLD, BUT BECAUSE WE WISH NO OTHER POWER TO DOMINATE IT.

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BUT THE NEW BIPARTISANSHIP MUST RELY ON STRONG PRESIDENTIAL LEADERSHIP TO GIVE FOCUS TO THE PEOPLE'S DESIRE TO STAND UP FOR WHAT IS RIGHT AND IN OUR NATIONAL INTEREST.

LEADERSHIP IS NOT ALWAYS EASY TO DEFINE. IT IS NOT A MAN ON HORSEBACK, DESPITE THE ATTRACTIONS OF SUCH AN IMAGE FOR SOME. SHOUTING AT A PROBLEM WILL NOT MAKE IT GO AWAY. SLOGANS ARE NOT TO BE CONFUSED WITH SOLUTIONS.

BUT NEITHER IS LEADERSHIP THE BUMBLING, IF WELL-INTENTIONED, EFFORTS OF THE CURRENT ADMINISTRATION. WE ALL HOPE THE PRESIDENT'S EFFORTS IN THE MIDDLE EAST WILL BEAR FRUIT. HE DESERVES CREDIT FOR HIS ATTEMPT TO BRING PEACE TO THAT WARTORN REGION. BUT PRIOR EXPERIENCE HAS TAUGHT US TO BE WARY ABOUT PROCLAIMING A PERMANENT END TO THE AGE-OLD CONFLICT BETWEEN ARAB AND JEW. ASIDE FROM THIS STILL INDEFINITE OBJECTIVE, PRESIDENT CARTER HAS PRECIOUS LITTLE TO PUT ON HIS CAMPAIGN BROCHURES FOR 1980.

HIS OPPONENTS HAVE NO SHORTAGE OF MATERIAL. WE CAN POINT TO AN ECONOMY THAT'S BOTH SLUGGISH AND DANGEROUSLY INFLATED, TO AN ENERGY CRISIS UNRESOLVED, TO A HEALTH CARE SYSTEM THAT THREATENS MILLIONS WITH FINANCIAL BANKRUPTCY IN THE EVENT OF CATASTROPHIC ILLNESS, TO A FARM POLICY THAT PREFERS TO CURTAIL DOMESTIC PRODUCTION OF SOYBEANS, SUGAR, AND CATTLE IN FAVOR OF IMPORTS FROM ABROAD.

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BUT YOU DON'T BEAT SOMETHING, EVEN SOMETHING LIKE THE CARTER ADMINISTRATION, WITH NOTHING. WE MUST PROPOSE INSTEAD OF MERELY OPPOSE. WE MUST SET FORTH A POSITIVE ALTERNATIVE TO MORE OF THE SAME. WE MUST REMEMBER THAT IDEOLOGICAL PURITY COMES SECOND TO IMPROVING THE LIVES AND THE LIVELIHOOD OF THOSE WHOSE SUPPORT WE SEEK. WE MUST EARN THE WHITE HOUSE AND THE ENORMOUS RESPONSIBILITIES THAT COME WITH IT.

THE LESSONS OF SERVICE

FOR TEN YEARS NOW, I'VE SERVED IN THE UNITED STATES SENATE, WHERE I'VE PARTICIPATED IN THE GROWING DEBATE OVER THE DIRECTION IN WHICH FREE GOVERNMENT IN THIS COUNTRY IS HEADED. IN MY WORK ON THE FINANCE AND AGRICULTURE COMMITTEES, I'VE SOUGHT TO ACCOMPLISH SOMETHING MORE LASTING THAN NEWSPAPER HEADLINES. IT'S NOT VERY HARD TO GET A HEADLINE IN WASHINGTON. BUT NEITHER IS IT LEADERSHIP.

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AS GERALD FORD'S RUNNING MATE IN 1976, I HAD AN OPPORTUNITY FIRST-HAND TO KNOW THOUSANDS OF PEOPLE, IN ALL WALKS OF LIFE, FROM ALL ECONOMIC STATIONS. I TALKED WITH THEM ON FARMS AND IN DECAYING URBAN NEIGHBORHOODS. I SHARED IN THEIR VISION OF A BETTER, BRIGHTER AMERICA. THEY HAVE PROBLEMS, AND INSOFAR AS GOVERNMENT CAN RESPONSIBLY ADDRESS THOSE PROBLEMS, IT HAS AN OBLIGATION TO DO SO. TO IGNORE THEM IS TO INVITE THE FATE OF THE DODO.

INEVITABLY, IT'S THE PRESIDENT WHO SETS GOVERNMENT'S TONE FOR THE DURATION OF HIS ADMINISTRATION. TODAY'S TONE IS INCAPABLE OF LEADING TO REAL ACCOMPLISHMENT. I'M CONVINCED THAT I COULD DO BETTER. THAT'S WHY I'M HERE.