REMARKS OF SENATOR BOB DOLE YOUNG REPUBLICAN NATIONAL CONVENTION

> Orlando, Florida June 21, 1979

IT'S ALWAYS GOOD APPEARING BEFORE A CROWD OF REPUBLICANS; WHEN THAT CROWD IS YOUNG AND ENTHUSIASTIC AND REPRESENTS THE VERY FUTURE OF OUR PARTY, AS YOU DO, MY PLEASURE IS REPLACED BY A CONFIDENCE I DON'T ALWAYS FIND IN OFFICIAL WASHINGTON. FOR WE LIVE IN AN AGE WHEN AMERICA'S POLITICAL PARTIES OFTEN SEEM CONFUSED IN THEIR MISSION, ANXIOUS TO SOUND ALIKE LEST THEY FRIGHTEN OFF A POTENTIAL VOTER. MILLIONS OF OUR PEOPLE AREN'T ATTACHED TO EITHER PARTY, FOR THE SIMPLE REASON THAT THEY DON'T KNOW WHAT EITHER PARTY STANDS FOR. BUT IN A DEMOCRACY, WEAK OR ILL-DEFINED PARTIES DO NO ONE ANY GOOD. IN THE WORDS OF THE LATE ADLAI STEVENSON, NO SLOUCH WHEN IT CAME TO POLITICAL PHRASEMAKING, "THANK GOD FOR PARTISANSHIP, FOR PARTISANSHIP IS THE LIFEBLOOD OF DEMOCRACY."

STEVENSON WAS RIGHT. TO MOVE A NATION YOU MUST INSPIRE ITS PEOPLE. YOU MUST GIVE THEM A VISION OF SOMETHING BETTER, SOMETHING DIFFERENT FROM THE CURRENT CONFUSION AND GOOD INTENTIONS POORLY DISGUISED AS LEADERSHIP. IN SHORT, YOU MUST BE WILLING TO LEAD YOURSELF.

AND THAT'S WHAT THIS MEETING IS ALL ABOUT.

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REPUBLICANISM--THE POSITIVE POLITICS

IF REPUBLICANS CLING TO A SINGLE SHINING PRINCIPLE, IT IS SUMMED UP IN THE WORD FREEDOM. FREEDOM TO BE YOURSELF, TO MAKE THE MOST OF YOUR GOD GIVE TALENTS, TO BE ALL THAT YOU CAN BE. BUT IS FREEDOM AS STRONG IN AMERICA TODAY AS IT OUGHT TO BE? DOES FREEDOM PERMEATE OUR ECONOMIC AND POLITICAL SYSTEMS? THE ANSWER IS ALL TOO PAINFULLY NO.

A FREE AND HEALTHY ECONOMY

MY ECONOMIC THINKING IS FOUNDED ON SEVERAL BASIC TENETS. FIRST, A STRONG, GROWING ECONOMY IS ESSENTIAL TO A FREE NATION. IT ASSURES A CONSTANTLY HIGHER STANDARD OF LIVING AND UPWARD SOCIAL MOBILITY FOR ITS CITIZENS. SECOND, THE BEST ECONOMIC POLICY IS ONE THAT ALLOWS FREE MARKET FORCES TO ALLOCATE GOODS AND SERVICES. FINALLY, PROFITS, FAR FROM BEING THE ORIGINAL SIN SOME WOULD HAVE US BELIEVE, ARE THE CEMENT THAT HOLDS OUR FREE MARKET SYSTEM TOGETHER. -4-

THESE PRINCIPLES MAY SEEM SELF-EVIDENT TO YOU--THEY SURELY DO TO ME--BUT THEY ARE NOT ACCEPTED IN ALL PARTS OF OUR GOVERNMENT. THERE ARE MANY IN WASHINGTON WHO BELIEVE THAT ECONOMIC PROGRESS IS UNDESIRABLE, THAT PERVASIVE GOVERNMENT REGULATION IS ESSENTIAL, AND THAT PROFITS ARE NECESSARILY A SIGN OF EXPLOITATION. OUR CURRENT ROUND OF DOUBLE DIGIT INFLATION IS, IN NO SMALL MEASURE, THE RESULT OF SUCH THINKING.

A FEW WEEKS AGO, WHEN A FEDERAL COURT INVALIDATED THE PRESIDENT'S WAGE-PRICE GUIDELINES, IT DID NOTHING MORE THAN POINT OUT THAT THE EMPEROR'S CLOTHES WERE SHEER INDEED. BESIDES CALLING A HALT TO A BLATANT ABUSE OF PRESIDENTIAL POWER, THE COURT DID US ANOTHER FAVOR: IT PROMPTED US TO OFFER OUR OWN ANTI-INFLATION PACKAGE, BASED, NOT ON GOVERNMENT COERCION OF THE INDIVIDUAL OR BUSINESSMAN, BUT THROUGH A FLOWERING OF INCENTIVE, INITIATIVE AND--YES--PROFIT. I PROPOSE TO ATTACK INFLATION AT ITS ROOTS. THE FIRST, AND I BELIEVE MOST IMPORTANT, STEP THAT CONGRESS CAN TAKE IN ITS FIGHT AGAINST INFLATION, IS A REFORM OF FISCAL POLICY. EXCESSIVE GOVERNMENT SPENDING CONTRIBUTES TO INFLATION MORE THAN ANY OTHER SINGLE FACTOR. FOR 19 OF THE LAST 20 YEARS, THE FEDERAL BUDGET HAS BEEN IN A DEFICIT SITUATION. THERE HASN'T BEEN A BALANCED BUDGET IN THE LAST DECADE. AND INTEREST ALONE ON THE NATIONAL DEBT WILL HIT \$60 BILLION THIS YEAR.

THE NEED FOR A CONSTITUTIONAL AMENDMENT

I WANT TO **PASS** A CONSTITUTIONAL AMENDMENT TO REQUIRE A BALANCED FEDERAL BUDGET, UNLESS TWO-THIRDS OF THE CONGRESS SUPPORTS A DEFICIT. SUCH A PROPOSAL IS NOT A "QUICK FIX" AS SOME HAVE ALLEGED. RATHER, IT REPRESENTS A FUNDAMENTAL CHANGE IN OUR ECONOMIC POLICY, REQUIRED BY AN EQUALLY FUNDAMENTAL CHANGE IN OUR POLITICAL SYSTEM. I NEEDN'T TELL YOU, THE INFLUENCE OF SPECIAL INTEREST GROUPS IN WASHINGTON IN RECENT YEARS HAS SHIFTED THE BALANCE OF POWER IN FAVOR OF SPENDING AND AWAY FROM FISCAL RESTRAINT. -6-

A CONSTITUTIONAL AMENDMENT WILL HELP TO RIGHT THE CURRENT IMBALANCE. IT WILL HELP CONGRESSMEN SAY NO TO THOSE WHO WANT FEDERAL PROGRAMS INCREASED. IT IS THE SINGLE MOST IMPORTANT STEP WE CAN TAKE IN REVERSING THE HISTORIC TREND TOWARD OMNIPOTENT--OR IS IT IMPOTENT?--GOVERNMENT. AND I NEED YOUR SUPPORT TO GET IT PASSED.

REFORMING THE TAX SYSTEM

THE SECOND ELEMENT OF MY FISCAL POLICY CONCERNS FEDERAL TAXATION. TAX POLICY IN THIS COUNTRY HAS TENDED, IN RECENT YEARS, TO DISCOURAGE INVESTMENT, SAVINGS, AND CAPITAL FORMATION. AS A RESULT, WE FIND OUR POSITION IN THE WORLD ERODED. WE FIND FEWER AND FEWER JOBS BEING CREATED, AND ALL BECAUSE BIG GOVERNMENT HAS PROMISED SECURITY WITHOUT ASKING FOR SACRIFICE. -7-

I WANT TO REVERSE THE TREND TOWARD ECONOMIC FLABBINESS. I WANT TO CONTINUE THE WORK WE STARTED LAST YEAR ON THE SENATE FINANCE COMMITTEE TO REDUCE BOTH INDIVIDUAL AND BUSINESS TAXES. I WANT TO REDUCE THE TANGLE OF FEDERAL REGULATIONS THAT NOW DEPRESS THE PRIVATE SECTOR AND COST YOU AND I UP TO \$100 BILLION DOLLARS A YEAR. I WANT TO REPEAL THE OLD AND COUNTERPRODUCTIVE DAVIS-BACON ACT, WHICH MANDATES WAGES ON ANY GOVERNMENT CONSTRUCTION PROJECT WHILE IN FACT ENCOURAGING INFLATION AND DISCOURAGING THE HIRING OF MINORITY AND ECONOMICALLY DISADVANTAGED WORKERS. WHAT THIS ECONOMY NEEDS IS NOTHING MORE THAN A GOOD HEALTHY DOSE OF FREEDOM--AND REPUBLICANS ARE IN A POSITION TO ADMINISTER THE MEDICINE.

AS RANKING REPUBLICAN ON THE FINANCE COMMITTEE, I'M WORKING TO ENACT A TAX INDEXING SYSTEM, REPLACING THE INEQUITIES OF THE PRESENT APPROACH WITH ONE IN WHICH, IF YOU EARN A RAISE, YOU KEEP A RAISE. NOW I LIKE TO VOTE FOR TAX CUTS AS MUCH AS ANYONE--BUT A TAX CUT THAT MERELY KEEPS PACE WITH INFLATION IS NO TAX CUT AT ALL. INDEXING OUR SYSTEM TO THE CONSUMER PRICE INDEX WILL PROVIDE A MAJOR BOOST TO MIDDLE CLASS AMERICANS WHO ARE REELING UNDER THE COMBINED EFFECTS OF INFLATION AND HIGH TAXES. THIS IS MY IDEA OF TAX REFORM. AND YOU CAN HELP US PASS IT.

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A VIABLE ENERGY PROPOSAL

FINALLY, THIS COUNTRY IS IN DESPERATE NEED OF AN ENERGY POLICY. WE CAN NO LONGER AFFORD TO SEND BILLIONS OF DOLLARS OVERSEAS TO PAY FOR PETROLEUM PRODUCTS. AMERICA MUST FIND MORE OIL AND GAS WITHIN ITS BORDERS AND IT MUST SHIFT ITS ENERGY NEEDS TO COAL AND OTHER ALTERNATIVE SOURCES. IF SHIFTING TO COAL REQUIRES SOME SHORT-TERM RELAXATION OF OUR ENVIRONMENTAL RULES THEN WE MUST PAY THAT PRICE. COAL GASSIFICATION, OIL SHALE, AND SOLAR ENERGY MUST BE MADE ECONOMICALLY AND TECHNOLOGICALLY ACCEPTABLE ALTERNATIVES TO CRUDE OIL.

GASOHOL, A BLEND OF AGRICULTURAL PRODUCTS WITH CONVENTIONAL GASOLINE, IS ANOTHER PROMISING ENERGY SOURCE. AS A LONGTIME GASOHOL ADVOCATE, I'M ENCOURAGED TO NOTE THAT BOTH GM AND CHRYSLER HAVE EXTENDED WARRANTY COVERAGE TO INCLUDE THE USE OF GASOHOL FUELS IN ALL OF THEIR CARS AND TRUCKS. OTHER STEPS HAVE BEEN TAKEN, EVEN IF LATER THAN ONE WOULD WISH. FOR EXAMPLE, I FAVOR THE DECONTROL OF CRUDE OIL. ITS SHORT-TERM INFLATIONARY IMPACT WILL BE FAR OUTWEIGHED IN THE LONG RUN BY THE ADDED CONSERVATION AND DOMESTIC PRODUCTION IT WILL PROMOTE. I SHOULD ADD THAT IN ADDITION TO DECONTROL WE NEED A FAIR PROFITS TAX DESIGNED TO REQUIRE THE ENERGY COMPANIES TO PUT THEIR NEW INCOME TO WORK SOLVING OUR ENERGY PROBLEMS. REPUBLICANS DON'T WANT TO BE RIPPED OFF BY BIG BUSINESS ANY MORE THAN BY BIG GOVERNMENT.

A MONTH AGO, I CALLED FOR A NORTH AMERICAN ENERGY SUMMIT, TO PROMOTE AN INTERNATIONAL APPROACH TO AN INTERNATIONAL PROBLEM. FOR INSTANCE, SUCH A CONFERENCE COULD PROMOTE EXCHANGES OF AMERICAN TECHNOLOGY FOR MEXICAN OIL AND GAS. UNTIL WE ADOPT SUCH AN APPROACH, WE ARE DOOMED TO CONTINUE OUR DEPENDENCE UPON OPEC SUPPLIES.

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A CALL FOR REPUBLICAN LEADERSHIP

ALL OF THESE THINGS CAN BE ACCOMPLISHED. WE CAN TURN THIS COUNTRY AROUND, GETTING AWAY FROM DEPENDENCE ON GOVERNMENT AND DEPENDING ONCE MORE ON OURSELVES. BUT BELIEVING IN INDIVIDUAL FREEDOM DOES NOT ABSOLVE US OF OUR RESPONSIBILITY TO THOSE IN NEED. IF WE WISH TO ENLIST THE SUPPORT OF A MAJORITY OF VOTERS, WE'VE GOT TO SHOW TO THEM THAT WE'RE A POSITIVE ALTERNATIVE TO THE DEMOCRATIC PUSHME-PULLYOU NOW COMING APART AT THE MIDDLE.

EVERYONE KNOWS WE'RE FOR BALANCING THE BUDGET, REDUCING INTRUSIVE GOVERNMENT, BOOSTING THE PRIVATE SECTOR SO IT CAN CREATE NEW JOBS. BUT WE ALSO HAVE TO RECOGNIZE THE CRISIS IN AMERICAN HEALTH CARE. LAST YEAR, SEVEN MILLION OF OUR FAMILIES PAID 15% OR MORE OF THEIR INCOME FOR MEDICAL TREATMENT. THE FACT IS, CATASTROPHIC ILLNESS POSES A THREAT OF DISASTER FOR MIDDLE AND UPPER MIDDLE CLASS PEOPLE, AS WELL AS THOSE LIVING NEAR OR BELOW THE POVERTY LINE. -11-

SENATOR KENNEDY WOULD FEDERALIZE MEDICINE IN AMERICA, AND SPEND \$63 BILLION TO WIND UP RATIONING HEALTH CARE. PRESIDENT CARTER WOULD DO THE SAME THING, ONLY SLOWER. AS IN SO MANY OTHER AREAS--ENERGY, GOVERNMENT REORGANIZATION, DEFENSE PREPAREDNESS--THE PRESIDENT HAS CHOSEN, NOT TO BITE THE MEDICAL BULLET, BUT NIBBLE AROUND ITS EDGES.

WELL, THERE'S SOMETHING WRONG HERE, BESIDES THE UNREALITY OF BOTH THE CARTER AND KENNEDY PLANS. NEITHER ONE CAN PASS A BUDGET MINDED CONGRESS, OR WIN THE APPROVAL OF A PEOPLE LONG SINCE FED UP WITH WASHINGTON'S PENCHANT FOR NEW BUREAUCRACIES.

BUT IT'S NOT ENOUGH JUST TO CRITICIZE THE DEMOCRATIC APPROACHES TO HEALTH CARE. WE MUST PRODUCE A REPUBLICAN ONE. THAT'S WHY I'VE INTRODUCED A DOLE HEALTH BILL, WHICH MAXIMIZES THE PRIVATE HEALTH DELIVERY SYSTEM AND MINIMIZES THE INVOLVEMENT OF GOVERNMENT. THE PRICE TAG IS FAR LESS, THE QUOTA OF INDIVIDUAL FREEDOM FAR GREATER, AND THE END RESULT FAR MORE DESIRABLE: PLUGGING THE GAPS IN EXISTING SYSTEMS WHICH MAKE CATASTROPHIC ILLNESS SUCH A FRIGHTENING PROSPECT FOR SO MANY AMERICANS.

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HERE AS ELSEWHERE, YOU AND I HAVE A RESPONSIBILITY TO MAKE A DEBATE THAT IS PARTISAN IN THE BEST SENSE OF THE WORD. WE HAVE AN OBLIGATION TO PROVE THAT WE'RE CAPABLE OF LEADING A NATION AS WELL AS AN OPPOSITION.

BUT WE DO STAND FOR SOMETHING, FOR SOMETHING IN THE NOBLEST TRADITION OF THE AMERICAN PEOPLE. WE BELIEVE IN THE INDIVIDUAL, HIS RIGHTS AND HIS POTENTIAL. WE BELIEVE THAT GOVERMMENT'S PRIMARY FUNCTION IS TO UNLEASH HIS TALENTS AND ENCOURAGE HIS SELF-FULFILLMENT. TO ARTICULATE THAT BELIEF AND ATTRACT A MAJORITY TO IT: THIS IS OUR GOAL FOR 1980 AND BEYOND.

A HUNDRED YEARS AGO, THE GREAT PHILOSOPHER RALPH WALDO EMERSON TOLD AN AUDIENCE OF YOUNG PEOPLE, "DO THE DUTY OF THE DAY. JUST NOW, THE SUPREME DUTY OF ALL THINKING MEN IS TO ASSERT FREEDOM. GO WHERE IT IS THREATENED AND SAY, 'I AM FOR IT, AND DO NOT WISH TO LIVE IN A WORLD A MOMENT LONGER THAN IT EXISTS.'" LADIES AND GENTLEMEN, EMERSON'S ADVICE HAS NEVER BEEN TRUER. FREEDOM IS THREATENED IN AMERICA TODAY, NOT BY AN OUTSIDE POWER AS MUCH BY THE CREEPING PARALYSIS OF WELL-INTENTIONED, HEAVY-HANDED GOVERNMENT. IT IS UP TO US, TO YOU AND I, TO REVERSE THAT TREND, AND MAKE AMERICA ONCE MORE THE HOPE OF FREEDOM-LOVING PEOPLE EVERYWHERE.