

REMARKS OF SENATOR BOB DOLE
THE TAXPAYER'S REVOLT: WHAT NEXT?

DES MOINES, IOWA

SATURDAY, AUGUST 18, 1979

*Sting
Revolt*

FOURTEEN MONTHS HAVE PASSED SINCE THE PEOPLE OF CALIFORNIA PASSED PROPOSITION 13 AND PUT AN END TO THE ATTITUDE THAT YOUR DOLLARS WERE A BOTTOMLESS PIT INTO WHICH GOVERNMENT AT ALL LEVELS COULD DIP WITHOUT HAVING TO ANSWER TO YOU OR ANYONE ELSE.

WELL THE WELL HAS RUN DRY. IN THE WAKE OF WHAT HOWARD JARVIS STARTED IN CALIFORNIA, DOZENS OF OTHER STATES HAVE ADOPTED TAX RELIEF PROGRAMS. THEY'VE PLACED SPENDING LIDS ON STATE EXPENDITURES, AND BEGUN AT LONG LAST TO RECOGNIZE THAT THE ONLY ECONOMY THAT WILL SUSTAIN ALL OF US IS AN ECONOMY BASED UPON PRODUCTION, INCENTIVE, AND, YES, PROFIT.

THE PRIVATE SECTOR CAN CREATE THE JOBS WE NEED. IT
CAN PRODUCE AT A HIGH ENOUGH LEVEL TO REVERSE THE
INFLATIONARY SPIRAL, BUT ONLY IF GOVERNMENT WILL
LET IT DO ITS JOB. WASHINGTON CAN'T CREATE LASTING
JOBS. BUT IT CAN CERTAINLY PREVENT INDUSTRY FROM
CREATING THEM. WASHINGTON CAN'T CREATE NEW WEALTH.
BUT IT CAN SURE KEEP YOU FROM RAISING YOUR OWN
STANDARD OF LIVING.

MANDATING A BALANCE BUDGET

IN THE YEAR SINCE PROPOSITION 13, PROGRESS HAS BEEN MADE, BUT ALMOST ENTIRELY AT THE STATE LEVEL. THE FEDERAL GOVERNMENT, DESPITE PIOUS DECLARATIONS AND PLEDGES OF ECONOMY, HAS YET TO BITE THE BULLET. IT HASN'T EVEN NIBBLED ONE.

SO NOW THE TIME HAS COME FOR US TO TAKE PROPOSITION 13 ONE STEP FURTHER. THE TIME HAS COME FOR THE AMERICAN PEOPLE TO INSIST THAT CONGRESS PASS A CONSTITUTIONAL AMENDMENT CAPPING BOTH FEDERAL TAXATION AND FEDERAL SPENDING. I'VE INTRODUCED AN AMENDMENT TO LIMIT BOTH TO 18% OF THE GNP. IN TIME OF NATIONAL EMERGENCY, OR IF THE CONGRESS IS WILLING TO GO ON RECORD BY A TWO THIRDS VOTE, THEN THE BUDGET COULD BE TEMPORARILY OUT OF BALANCE.

BUT LET ME TELL YOU SOMETHING. CONGRESS ISN'T GOING TO PASS A BUDGET-LIMITING AMENDMENT - NOT UNLESS YOU AND MILLIONS OF PEOPLE LIKE YOU FORCE YOUR REPRESENTATIVES TO DO SO. HOWARD JARVIS AND HIS COLLEAGUES SHOWED US WHAT A FEW AROUSED PEOPLE CAN ACCOMPLISH. NOW LET'S SEE WHAT A FEW MILLION CAN DO.

INDEXING A FAIRER TAX SYSTEM

BUT EVEN A BALANCED BUDGET AMENDMENT ISN'T ENOUGH, NOT BY ITSELF. NOT AS LONG AS THE FEDERAL GOVERNMENT CAN TAKE ADVANTAGE OF INFLATED DOLLARS IN TAXING AMERICAN FAMILIES. THINK ABOUT THIS: IF YOUR FAMILY EARNS \$15,000 THIS YEAR, AND INFLATION CONTINUES AT 8% - AND THAT'S A CONSERVATIVE ESTIMATE THESE DAYS - THEN NEXT YEAR, YOU'LL HAVE TO EARN \$16,200 JUST TO STAY EVEN.

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AND IF YOU EARN THAT MUCH, THEN YOU'LL GET KICKED UPSTAIRS
INTO A HIGHER TAX BRACKET. YOU'LL PAY AN EXTRA \$258 IN
INCOME TAXES. IN ALL, THE NATIONWIDE TAX BILL NEXT YEAR
WILL GO UP BY \$12 BILLION.

AND I AM PLEASED THAT IN IOWA A MODIFIED INDEXING BILL
HAS PASSED THE STATE LEGISLATURE AND BEEN SIGNED INTO LAW
BY THE GOVERNOR.

REQUIRING A BALANCED FEDERAL BUDGET AND INDEXING THE TAX SYSTEM ARE JUST TWO IDEAS THAT CAN BROADEN AND MAKE PERMANENT THE LEGACY OF PROPOSITION 13. THEY WON'T GET BEYOND THE DRAWING BOARD WITHOUT CITIZEN PRESSURE AND STRONG POLITICAL LEADERSHIP IN WASHINGTON. AND LEADERSHIP IS EXACTLY WHAT IS MISSING IN WASHINGTON TODAY.

BUT IT DOESN'T HAVE TO BE THAT WAY. IN 1980, WE CAN INSTALL IN THE OVAL OFFICE A MAN WHO IS COMPETENT AS WELL AS DECENT, EXPERIENCED AS WELL AS MORAL. FOR 18 YEARS, I'VE WORKED TO MAKE GOVERNMENT MORE RESPONSIVE TO THE AVERAGE AMERICAN. AS RANKING REPUBLICAN ON THE SENATE FINANCE COMMITTEE, I AM TRYING TO FULFILL THE PROMISE OF PROPOSITION 13. TOGETHER WE CAN DO JUST THAT. WE CAN MAKE GOVERNMENT SERVE PEOPLE, AND NOT THE OTHER WAY.

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WE CAN DO ALL THIS AND MORE, BUT ONLY IF WE REMAIN UNITED
BEHIND OUR GOALS AND TIRELESS IN OUR PURSUIT OF THEM.
LET TODAY BE THE START OF A CAMPAIGN THAT WILL NOT END UNTIL
WE ACHIEVE OUR ULTIMATE GOAL: TO GIVE AMERICA BACK TO THE
AMERICAN PEOPLE.