

REMARKS OF SENATOR BOB DOLE  
KANSAS ASSOCIATION OF REALTORS

OCTOBER 9, 1980

TOPEKA, KANSAS

ADDRESSING THE KANSAS ASSOCIATION OF REALTORS IS A LITTLE BIT LIKE COMING HOME FOR ME. WE HAVE JOINED FORCES TO FIGHT MANY A BATTLE OVER THE YEARS -- AND, RIGHT NOW WE ARE WORKING TOGETHER ON A NUMBER OF MATTERS. I AM PROUD TO WORK WITH YOUR ASSOCIATION, AND I THINK OUR RELATIONSHIP HAS BEEN A CONSTRUCTIVE ONE--GOOD FOR YOU AND GOOD FOR OUR STATE.

THESE ARE DIFFICULT TIMES FOR THE REAL ESTATE INDUSTRY. INDEED, I BELIEVE I CAN SAY, WITHOUT FEAR OF EXAGGERATION, THAT THESE ARE CRITICAL TIMES FOR YOUR INDUSTRY -- AND CRITICAL TIMES FOR OUR NATION AS A WHOLE.

YOUR INDUSTRY REPRESENTS A VITAL COMPONENT OF WHAT WE USED TO CALL "THE AMERICAN DREAM." THAT DREAM, SHARED BY THE VAST MAJORITY OF OUR CITIZENS, INCLUDED THE PROSPECT OF OWNING A HOME OF ONE'S OWN.

HOME OWNERSHIP IS A POWERFUL, POSITIVE FORCE IN OUR COUNTRY. IT GIVES A PERSON A SENSE OF PRIDE, A SENSE OF COMMUNITY, A SENSE OF BELONGING. IT PROVIDES THE GLUE WHICH HELPS HOLD OUR SOCIETY TOGETHER.

BUT, I DON'T HAVE TO TELL THIS AUDIENCE WHAT'S HAPPENING TO THAT PART OF THE AMERICAN DREAM. IT HAS TURNED INTO A NIGHTMARE.

DESPITE THE ADMINISTRATION'S ELECTION YEAR CLAIMS TO THE CONTRARY THE U.S. ECONOMY HAS NOT RECOVERED FROM THE RECESSION. AS ALL OF YOU CAN ATTEST, THE HOUSING SECTOR IN PARTICULAR CONTINUES IN A DEPRESSED STATE -- AND WILL NOT BE HELPED BY THE RECENT UPWARD TREND IN INTEREST RATES. RECENTLY, THE FEDERAL RESERVE BOARD HAS OPTED TO TIGHTEN THE MONEY SUPPLY, AND THE PRIME RATE HAS CLIMBED TO 14 PERCENT. MANY FEAR THAT WE ARE HEADED BACK TO A 20 PERCENT PRIME RATE. THIS CLEARLY IS NOT THE ROAD TO RECOVERY FOR THE HOUSING INDUSTRY, BUT THE ROAD TO RUIN. I SHARE YOUR CONCERN THAT THE HOUSING SECTOR SEEMS TO BEAR THE BRUNT OF THE ADMINISTRATION'S ECONOMIC BLUNDERS.

PRESIDENT CARTER'S ATTEMPT THIS PAST WEEK TO "JAW-BONE" THE FEDERAL RESERVE INDICATES HE FINALLY UNDERSTANDS JUST HOW DAMAGING HIS POLICIES HAVE BEEN. BUT, HE FAILS TO UNDERSTAND THAT THIS CRUDE LAST-MINUTE GESTURE CAN ONLY BE SEEN FOR WHAT IT IS -- POLITICAL GRANDSTANDING BY A MAN DESPERATELY TRYING TO HOLD ONTO HIS OFFICE.

THE TIME HAS COME TO RECOGNIZE THE CONTRIBUTION OF THE PEOPLE WHO HELP MAKE THIS COUNTRY WORK -- THE PEOPLE WHO BUILD HOMES AND OFFICES AND THE PEOPLE WHO MAKE REAL ESTATE ACCESSIBLE AND AVAILABLE TO THE PUBLIC.

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THE TIME HAS COME TO HELP THESE PEOPLE -- YOUR PEOPLE -- SO THAT THEY -- YOU -- CAN IN TURN HELP GET OUR NATION'S ECONOMY BACK ON TRACK.

INSTEAD OF ASKING THE HOUSING INDUSTRY TO CONTINUE TO BEAR AN UNFAIR BURDEN IN THE FIGHT AGAINST INFLATION, WE MUST INSURE THAT IT CAN LEAD THE WAY TO RECOVERY.

AS YOUR SENATOR, I HAVE BEEN WORKING TO MAKE THIS POSSIBLE.

I HAVE INTRODUCED LEGISLATION -- THE HOUSING AND EDUCATION SAVINGS ACCOUNT BILL -- WHICH WOULD MAKE IT POSSIBLE FOR AMERICANS TO SAVE MONEY FOR A DOWN PAYMENT ON THEIR FIRST HOME. IT WOULD ALSO HELP FAMILIES SAVE MONEY FOR COLLEGE FOR THEIR CHILDREN.

AN INDIVIDUAL WOULD BE ALLOWED A TAX DEDUCTION ANNUALLY OF UP TO \$1,500 (\$3,000 FOR A MARRIED COUPLE FILING JOINTLY) SET ASIDE IN A SEPARATE ACCOUNT, SIMILAR TO AN INDIVIDUAL RETIREMENT ACCOUNT WHICH WOULD ALLOW FOR THE ACCUMULATION OF A DOWN PAYMENT ON A FIRST HOUSE. CONTRIBUTIONS COULD BE MADE FOR UP TO TEN YEARS.

AN ANNUAL DEDUCTION OF UP TO \$1,000 PER CHILD WOULD BE ALLOWED FOR CONTRIBUTIONS TO SIMILAR ACCOUNTS FOR THE PURPOSES OF PAYING THE COSTS OF HIGHER EDUCATION.

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ANY AMOUNTS IN EITHER TYPE OF ACCOUNT WHICH ARE NOT USED FOR THE QUALIFIED PURPOSE WILL BE TAXED TO THE CONTRIBUTOR IN THE YEAR OF DISTRIBUTION AND WILL ALSO BE SUBJECT TO AN ADDITIONAL 10 PERCENT PENALTY TAX.

CLEARLY, IT IS IMPORTANT THAT ACTION BE TAKEN ON THIS WHEN CONGRESS RETURNS. I HAVE TO BELIEVE THAT THE DENIAL OF HOME OWNERSHIP IS A POTENTIALLY DISRUPTIVE DEVELOPMENT FOR OUR SOCIETY.

#### INDEPENDENT CONTRACTORS - AN UPDATE

ANOTHER BATTLE THAT WE HAVE FOUGHT TOGETHER INVOLVES THE TREATMENT OF INDEPENDENT CONTRACTORS. IN THE MID 1970'S, THE IRS, ON ITS OWN, BEGAN TO RECLASSIFY THOUSANDS OF INDEPENDENT CONTRACTORS AS EMPLOYEES FOR TAX PURPOSES. THE PROSPECT OF PAYING WITHHOLDING TAXES, SOMETIMES FOR SEVERAL BACK YEARS, THREATENED THE EXISTENCE OF MANY COMPANIES ACROSS THE COUNTRY. IN 1976 CONGRESS ASKED THE IRS TO HALT ITS RECLASSIFICATION. WHEN THIS REQUEST WAS LARGELY IGNORED, WE INCLUDED A PROVISION IN THE 1978 TAX ACT THAT PROHIBITED SUCH RECLASSIFICATION UNTIL 1980. IN DECEMBER WE EXTENDED THE PROHIBITION ANOTHER YEAR.

JUST BEFORE WE WENT INTO RECESS, THE SENATE FINANCE COMMITTEE VOTED AGAIN FOR EXTENSION -- NOW, IF WE CAN GET CONGRESSMAN AL ULLMAN TO DO THE SAME IN THE HOUSE WAYS AND MEANS COMMITTEE, WE'LL BE IN BUSINESS

ON ANOTHER FRONT, WE FINALLY OBTAINED PASSAGE OF REPEAL OF THE SO-CALLED CARRY-OVER-BASIS INHERITANCE TAX PROVISIONS. THIS, COUPLED WITH LAST YEAR'S REFORM OF THE CAPITAL GAINS TAX, SHOULD MEAN WE'LL SEE A MORE STABLE, YET VIGOROUS REAL ESTATE MARKET, WITH ORDERLY SALES AND INCREASED CAPITAL UTILIZATION.

IN ANOTHER AREA THAT I KNOW IS OF INTEREST TO MOST OF YOU, THE MORTGAGE SUBSIDY BOND TAX ACT IS NOW IN RECONCILIATION. QUITE HONESTLY, IT IS DIFFICULT TO SAY WHAT WILL HAPPEN NOW. SENATOR RUSSELL LONG -- WHO, AS YOU MAY KNOW, HAS A LOT TO SAY ON THESE MATTERS, SOMETHING I HOPE WILL CHANGE AFTER THE NOVEMBER ELECTION -- IS OPPOSED TO THE HOUSE BILL.

FINALLY, I WANT TO SAY A WORD ABOUT 1980 -- AND ABOUT THIS YEAR'S ELECTION.

### 1980 - A WATERSHED YEAR

NOW IS THE TIME FOR AMERICA TO PASS JUDGMENT ON 3½ YEARS OF CARTER ECONOMICS. THE 1980 ELECTIONS ARE TRULY A WATERSHED. THIS YEAR WE WILL MAKE DECISIONS THAT DETERMINE FOR DECADES TO COME THE SHAPE OF OUR ECONOMY, THE EXTENT OF OUR INDIVIDUAL FREEDOMS AND OPPORTUNITIES, AND THE LEADERSHIP WE GIVE TO THE TROUBLED WORLD IN WHICH WE LIVE. IN 1980, WE WILL DECIDE WHAT PROMISES WE WISH TO KEEP, TO OURSELVES AND TO HUMANITY.

I HOPE THAT EACH OF YOU WILL GET INVOLVED IN THE DECISION-MAKING PROCESS. WE NEED TO HEAR YOUR VOICES. WE REQUIRE YOUR VIEWPOINT, AND WE CAN BENEFIT FROM YOUR IMPERISHABLE CONVICTION THAT THE BEST ECONOMY IS A FREE ECONOMY, AND THE BEST AMERICA IS ONE IN WHICH OPPORTUNITY'S DOOR IS NOT CLOSED OFF BY THE DEADENING HAND OF BUREAUCRACY.

IT IS A FIGHT THAT NEVER ENDS -- AND IN WHICH WE MUST ALL REMAIN ALWAYS ON GUARD. KEEP UP THE FIGHT, AND ONE DAY EVEN WASHINGTON, D.C., MAY GET THE MESSAGE THAT WE CAN NEVER SPEND OUR WAY TO NATIONAL HAPPINESS -- BUT, WE VERY EASILY SPEND OURSELVES INTO NATIONAL DISASTER.

WE MUST, TOGETHER, WORK TO DISPELL THE NIGHTMARE THAT HAS DARKENED YOUR INDUSTRY -- AND OUR COLLECTIVE FUTURE. WE MUST RESTORE THE AMERICAN DREAM. FOR IF WE FAIL NOW, IT IS UNLIKELY WE'LL HAVE ANOTHER OPPORTUNITY.

THANK YOU.