

FROM: THE OFFICE OF U.S. SENATOR BOB DOLE
NEW SENATE OFFICE BUILDING
WASHINGTON, D.C. 20510
(202) 225-5521

93

FOR RELEASE AFTER 10 A.M., FRIDAY, MAY 16, 1969

TOPEKA, Kans., May 16 -- U.S. Senator Bob Dole (R-Kans.) today said President Nixon, "risking possible political unpopularity", has moved to bring the nation's economy under control and to restore "sensible fiscal management."

Speaking here at the Kansas Bankers Association convention, Dole added, "Slowing down an overheated economy is hardly a welcome political prospect for a new President of the United States."

"Every project has an eager, earnest constituency somewhere," he added. "To spend can be popular. To cut spending and to try to balance the economy can reap a political whirlwind for the man who ordered them."

Noting that one of Nixon's first actions as President was to order Cabinet officers to "review and pare down" the fiscal 1970 budget previously prepared by the Johnson Administration, Dole added, "Cuts of about \$5 billion were made, so that the 1970 budget now before Congress represents a more sensible balance."

Presidential efforts to curb inflation include continuation of the 10 percent individual surtax and elimination of the seven percent investment tax credit, he said.

"Once again, there is no political gain in continuing the surtax and in repealing a tax benefit enjoyed by businessmen throughout the country. These two steps, however, are essential if sound fiscal management is to be restored."

Pointing out when Nixon became President four months ago the U.S. had the largest 'peacetime' deficit -- \$25 billion--in the country's history and that the value of the dollar had dropped four cents in the previous 12 months, he said, "The economy seemed to be booming. More money was in circulation. Wages were consistently increasing to meet rising prices, and Americans thought they had more money."

"If the President had not initiated steps to check inflation, we could have experienced a doubling of prices within 14 years, pricing ourselves out of the world market and undoubtedly bringing us to a critical currency devaluation."

"Inflation is a vicious cycle, penalizing those least able to pay the bill," he said. "Fortunately our President is determined to pursue a course of fiscal and monetary responsibility."