

NEWS from U.S. Senator Bob Dole

(R.—Kans.)

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INFLATION, BUDGET REFORM AND RETIREMENT INCOME DISCUSSED BY DOLE

WICHITA, KANSAS--Following are excerpts of a speech prepared for delivery by Senator Bob Dole to the Kansas Chapter of the National Association of Retired Federal Employees at their meeting in Wichita on the evening of Monday, April 22, 1974:

"I want to mention a subject of the utmost importance to you and the millions of other retired and older Americans. On the economic front, the control of inflation is the number one most critical and serious problem facing the country today. Inflation, of course hits everyone. But those who live on fixed incomes -- which are modest to begin with -- are always the ones who suffer first and most seriously. And I believe that the most important factor in achieving real limitations on inflation is to control unnecessary and wasteful government spending.

"Fortunately, I believe one important first step toward Congressional responsibility in controlling government spending was taken when the Senate passed its Budget Reform Bill last month. By forcing the helter-skelter legislative process to come to grips with overall spending limitations and the requirement for matching revenues and outlays, I am hopeful that we are now finally on the road to approaching budget matters in a businesslike and orderly way.

"We cannot begin to control inflation without controlling government spending, so I am hopeful that this reform of Congressional procedures will be the first, but not the last, step in this direction. And I believe that retired and older Americans have by far the greatest stake in seeing this effort successfully pushed until we at last do have a rational and effective hold on the Federal pocketbook.

"Finally, I would like to mention action on an item of legislation I have been involved with as a member of the Finance Committee. And I am pleased to report that the Committee before the Easter Recess favorably reported H.R. 8217, a bill containing an expansion of the Retirement Income Tax Credit. Under this provision the base amount of the credit would rise from \$1524 to \$2500 for singled aged persons and from \$2286 to \$3750 for elderly couples. I know NARFE has a goal of seeing the credit eventually reach \$5000, but I believe this is an extremely important first step.

"This measure holds great importance for government pensioners and others whose retirement benefits do not come from tax-exempt pensions such as Social Security and Railroad Retirement. The Retirement Income Credit, which was intended to compensate for this difference has not been up-dated in 12 years for the single elderly and in 10 years for aged couples. By comparison, Social Security Benefits have been adjusted 6 times for a total increase of 104 percent over the same period. So clearly, then the Retirement Income Credit is long overdue for revision. This provision -- along with an additional increase in the exempt earnings limitations -- is the same one which received full Senate approval as part of H.R. 1 in 1972. It was deleted in conference with the House, but I am confident that this earlier legislative history, in addition to the strong vote it received on the Senate floor in January and the Finance Committee's renewed support, will provide a most valuable source of momentum this year.

"This is a clear case for providing this much-needed tax equity on behalf of our retired citizens, and I was pleased that the Finance Committee demonstrated its firm support for this provision."