

1076



# NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 225-6521

STATEMENT BY SENATOR BOB DOLE  
BEFORE THE  
SENATE BUDGET COMMITTEE  
ON  
INFLATION  
AUGUST 14, 1974

Mr. Chairman, I appreciate this opportunity to participate in the first hearing of the Budget Committee.

The current rate of inflation is unacceptably high. The two-digit inflation rate we have seen in recent months is the most severe problem facing the people in Kansas and in other states.

Bringing inflation under control must be the highest priority economic objective of the Federal government. It is good to see that the President has identified the reduction of inflation as his greatest concern. Hopefully, we can initiate action in this Committee which will be beneficial in achieving that goal.

#### Broad Action Needed

The program for combating inflation must be a comprehensive one touching all the bases: restraining the growth of money supply, holding down Federal spending, and urging spending restraint by others in order to slow down the growth in demand, on the one hand, and taking a series of actions designed to increase supply, on the other.

Our primary focus today is, of course, on controlling Federal spending. In the spirit of the Congressional Budget and Impoundment Control Act, which gives the Congress and the Executive shared responsibility for the budget totals, our focus should be on how we in the Congress can work with the President in achieving the restraint on spending that we know to be essential.

We have already begun to make some progress in holding down Federal spending, as witnessed in recent cuts made to appropriation bills. I am glad to have been able to take an early leading role in the efforts to make these cuts. Hopefully, we can continue our efforts in a similar vein.

#### World Picture Darker

We can take some -- but very small -- comfort in knowing:

-- that inflation has been less severe in the United States than in most advanced nations;

-- that much of it has resulted from unusual factors, including simultaneous bad harvests in many parts of the world, the quadrupling of prices imposed by oil exporting countries, and a simultaneous economic boom in the industrial nations; and

-- that these events are not likely to repeat themselves, certainly not all together.

I do not want to dwell on these points, however, because I do not want them to become an excuse for doing less than we must to bring inflation under control rather than an explanation of how we got to where we are.

In summary, we have a great amount of work ahead. I believe our efforts here will be productive and that we will be ultimately successful in controlling inflation.