News from Senator

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DOLE-RHODES RESOLUTION CALLS FOR CONGRESSIONAL OPPOSITION TO WAGE-PRICE CONTROLS

WASHINGTON -- Senator Bob Dole (R-Kan.), in tandem with House Republican Leader John Rhodes (R-Ariz.), today introduced a concurrent resolution in both houses of Congress which would place the Congress on record as opposing mandatory wage and price controls.

Following is the text of that resolution:

Whereas our high rate of inflation has eaten away the savings and substance of our people;

Whereas some anticipatory wage or price adjustments may be made out of concern for the prospect of mandatory government measures to control inflation;

Whereas leading members of the Administration have expressed their opposition to wage and price controls; and

Whereas the true problem of inflation lies not in the wage-price spiral but in government fiscal and monetary policy: NOW, THEREFORE BE IT RESOLVED BY THE SENATE (THE HOUSE OF REPRESENTATIVES CONCURRING),
That it is the sense of the Senate that the Congress does not intend to take any action to authorize wage and price controls.

"As inflationary pressures increase, the need for serious policies to combat them becomes critical," Dole said. "In recent days, we have heard rumblings from some members of Congress and economists around the country that wage and price controls are the way to stem the rising inflationary tide. However, I believe the majority of those in Congress share my view that these controls would ravage the business and labor communities.

"The American people have a right to know where we in Congress stand on this issue, and this resolution will enable us to firmly get on record in favor or against. We cannot afford to wait much longer before we take tough short-term steps to reverse the causes and the effects of this economic emergency.

"But controls on our economy are ill-advised. Talk of wage and price controls is already fueling price rises around the country, as businesses scramble to protect themselves against this possibility. Ultimately, those who are hurt are the American consumers. Congress should put its foot down on this issue now. Today we are faced with an inflation rate of 18 percent, a prime interest rate of 17 3/4 percent and a federal deficit which threatens to top the $40-billion mark. I would suggest that the White House look again at the practical alternatives to 20 percent inflation. The budgets that this Administration has sent to Congress since 1976 have shown no restraint in expenditures. We absolutely must show that we can abide by a significant spending limit. But additionally, we should immediately index personal income taxes federally, and provide substantial incentives to savings, investment and capital formation. The economy will not recover on its own. I am asking that my colleagues join with me not only in foreclosing the particularly bad option of instituting wage and price controls, but in asking this Administration to make the decision to construct a viable economic recovery package, which up to now it has been unwilling to do."