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NOW IS TIME TO PASS JUDGMENT ON CARTER ECONOMIC POLICIES, DOLE SAYS

HONOLULU, Hawaii -- Senator Bob Dole (R-Kan.), in a speech today before a gathering of the Associated Contractors of America, pointed to solutions to the current economic crisis and urged that "now is the time for America to pass judgment on three years of Carter economics."

"I am pleased to be able to address the ACA, and especially the large Kansas contingent present here today, because I know all of you are as concerned as I am about the dramatic downturn our economy has taken since this Administration has taken office," Dole said.

"Of course, I believe the best shot we could give the economy is a new president next January, and a coherent program of supply-based economics.

"That means a realization that words like profit and incentive are fit for polite conversation.

"That means an energy policy that stimulates production of new oil and gas as well as conservation of existing resources. It means giving the private sector the incentive to do the job that government cannot do. It means an energy policy more creative than new taxes, or one more department in an already bloated cabinet.

"A week has passed since the President unveiled his latest anti-inflation package. It might best be described as nibbling the inflationary bullet. Of course, how can you expect an administration to bite the bullet when it's spent the last three years firing blanks.

"What then does the President offer? I have said it before and I say it again -- the Administration offers unprecedented increases in taxation, and will propose modest, short-term cuts in spending. Unfortunately, most of the detailed spending cuts have yet to be made public. But what we have does not inspire confidence. For example, look at some of the proposed cuts within the jurisdiction of the Finance Committee, where I serve as ranking Republican. Four hundred million dollars to be saved by delaying a new Medicaid program for one year; \$850 million by delaying welfare reform for one year; \$1 billion by delaying countercyclical revenue sharing for one year. These are not spending cuts, they are deferrals. What has become of the President's commitment to long-term spending restraint?"

Dole pointed to increasing taxes in areas such as Social Security, the windfall profits tax and oil import fees as factors that conspire to squeeze the individual taxpayer and discourage savings and investment, both personal and business. He then called for tax restructuring to aid productivity and nurture investment, and indexing of personal tax rates to discourage bracket jumping caused by inflation.

"High tax rates for middle-income taxpayers discourage productive activity. This problem is made more acute by inflation. Individuals often must pay a higher tax although they receive no real increase in their income. Additionally, we need tax incentives for savings and investment, and some form of corporate tax relief to stimulate real, non-inflationary growth -- perhaps by adopting one of the proposals for accelerating depreciation of capital assets. If we can do that, we will make the job of monetary policy easier."

Dole welcomed several hundred Kansas contractors among the group in attendance today.