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DOLE OPPOSES COUNCIL ON WAGE PRICE STABILITY INCREASES

WASHINGTON - In a review of amendments offered today, Senator Bob Dole (R.-Kansas) sought to limit the authority and the financing of the Council On Wage and Price Stability (COWPS).

Dole offered his amendments to S. 2352, which would receive authorization for COWPS by 300%.

According to Dole, "This administration, under the auspices of curbing inflation, requests that we sink 300% more money into an organization which has proved ineffective and essentially useless.

"Consider the record," added Dole. "In March of 1978, President Carter announced an ambitious program to control what was then considered to be an almost unmanageable inflation rate. His proposal relied heavily on the Council On Wage and Price Stability. In the span of two years, we have watched an inflation rate of about 9% grow into an inflation rate of nearly 20%. On a percentage basis this 100% increase pales in comparison to the increase in COWPS budget during that same time period -- nearly 300%. I fail to see how this can be considered effective by anyone's standards," said Dole.

"Consider further: In 1979, as part of COWPS authorization, Congress mandated that the Council more closely examine the true causes of inflation--excessive federal spending and borrowing, burdensome government regulation, and negative productivity. Since that time COWPS has devoted three staff persons to the government programs division and produced one study on productivity - hardly a significant effort.

"The blame for inflation lies squarely on the shoulders of the government. It is past recklessness in spending by the Federal Government and our policies of deficit financing which are the real culprits. This administration, however, would rather perpetuate a council whose sole purpose seems to be to shift the blame from government to the private sector. This is fraudulent and cowardly, and I am firmly opposed to the continuation of such policies.

"I realize that the council is not the primary cause of this meteoric increase in our inflation rate, but it is symptomatic of the underlying cause. COWPS has done nothing to alleviate our economic woes. I find it hard to believe that COWPS is capable to having a significant impact on lowering this rate, and its past history certainly indicates grim prospects in the future.

"Accepting the ineffectiveness of this organization, I fail to see how we can justify sacrificing additional tax dollars to fund an advisory council which is at best ineffective and obviously does nothing to help balance the budget or reduce federal spending. The philosophical contradiction here is glaring. On one hand COWPS attempts to control inflation. The best way to do this is to start by balancing the budget and reducing federal spending. On the other hand, the Council requests massive increases in its operating budget and wants to add 400 more people to its payrolls. I need not point out the paradox here. We cannot continually ask for restraint in the private sector without showing restraint in the public sector.

"Because I remain committed to the noble cause of fighting inflation by first getting the federal financial house in order and because this bill flies in the face of that very principle, I urge my colleagues to oppose this legislation."