

News from Senator

# BOB DOLE



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## PRODUCTIVITY SLUMP UNDERSCORES TAX CUT NEED

WASHINGTON -- Senator Bob Dole (R.-Kansas), ranking Republican member of the Senate Finance Committee, today renewed his call for an immediate tax cut in a statement delivered before the Senate Finance Committee.

In the statement Dole said, "The productivity figures released yesterday by the Labor Department dramatically emphasize the need for Congress to immediately pass a significant tax cut. Productivity in the non-farm business sector fell during the last quarter at the alarming rate of 4.1 percent, the biggest drop since 1974. The productivity decline was the sixth consecutive quarterly drop.

"These new figures now join the 12 percent inflation and 7.8 percent unemployment as convincing evidence that it is time for us to consider and pass a productivity tax cut. We must restructure our tax system to reward production, initiative and effort if we are to both recover from our current recession and to get our country moving again," said Dole.

"We have now had four days of hearings and have heard from 15 witnesses during these hearings on a tax cut. Three more days and numerous more witnesses are scheduled. I feel that it is obvious to anyone who has followed these proceedings that a consensus is developing on this Committee. With taxes due to increase by \$87 billion in the upcoming year -- the biggest increase in our history -- a large majority here favors a significant tax cut -- more accurately a tax abatement -- for F.Y. 1981. With the economic data worse every month, there is a growing agreement that business should receive a substantial part of whatever tax reduction we pass. This also is important evidence of progress toward getting a bill enacted," Dole said.

"The majority of the Committee also appears to be in agreement that we should do what we can to enact legislation as soon as possible. I agree with the Chairman that if we put together a strong package, it will be very difficult for the House and the Administration to resist supporting it. I believe that we are getting close to putting together such a package," said Dole.

"I hope that the remainder of the testimony this week will help us agree on the details of a tax package so that we can quickly mark-up a bill when we return following the Democratic Convention," Dole concluded.