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DOLE ISSUES "ELECTION" SCORECARD ON REAGANOMICS

WASHINGTON--Many in the media are pronouncing "Reaganomics" dead following the release today of September's unemployment statistics. There is no denying that unemployment is a serious problem, but it would be wrong to judge the entire program on the basis of just one economic indicator. The new economic program, just 20 months old, already has had many more successes than disappointments. So in the interest of allowing a fair and balanced appraisal of the Reagan program, I offer this "election" scorecard on "Reaganomics":

Positives

- 1) Inflation - Dramatically down from a high of 13.3% in 1979 to just 5% this year.
- 2) Interest rates - From a staggering 21½% in January, 1981 the prime rate has dropped a full 8½ points to 13%. Further declines in short and long rates widely expected.
- 3) The Dollar - up 34% against the German mark since December 1980. Similar gains against other currencies. Means greater purchasing power for American consumers.
- 4) Taxes - The biggest tax cut in history: A 25% cut in individual income taxes over three years, giving Americans a \$213 billion tax-savings; "bracket creep" eliminated by tax indexing. Investment incentives for business in place.
- 5) Tax reform - most significant tax reform package in history passed this year. Increases fairness and equity while expanding the base of the system.
- 6) Government spending - Reduced growth of Federal outlays from 17.4% in 1980 to 11.2% in 1982. A further decline to 7.5% projected by 1985 under this year's budget resolution.
- 7) Saving - personal saving rate was at a meager 5.5% in December 1980, but has rebounded to 6.9%.
- 8) Vigorous Comeback by Wall Street - Ever since Congress approved President Reagan's \$100 billion tax reform bill in August, the stock market has enjoyed a record-setting comeback with the Dow Jones Average climbing almost 200 points in less than two months.
- 9) Prospects for a steady noninflationary recovery - due to administration's success at reducing inflation and falling interest rates.
- 10) Reduction of Regulatory Burdens - evidence of cost-effectiveness required for new regulations.

Negatives

- 1) Unemployment*

*It should be kept in mind that the level of unemployment was very high--7.4%--when the Administration took office. There can be no doubt that the basis for the current high unemployment is the inflationary policies of the past 20 years. While undoing these excesses requires patience, I fully expect to be able to switch the unemployment picture to the positive category soon. The steady, noninflationary recovery will produce a lasting reduction in unemployment, unlike the temporary job gains resulting from quick-fix policies of the previous Administration.

Further, Congress recently took action to provide unemployed workers with new skills and to cushion the financial blow for those out of work. Supplemental unemployment benefits of \$2 billion will assist those who have been unemployed for a long period. The new jobs training bill shifts the emphasis from creating public sector jobs to training workers to fill productive private sector employment.

Negatives

Positives

1) Unemployment

- 1) Inflation - Dramatically down from a high of 13.3% in 1975 to just 5% this year.
- 2) Interest rates - From a staggering 21% in January, 1981 the prime rate has dropped a full 8% points to 13%. Further declines in short and long rates widely expected.
- 3) The Dollar - up 34% against the German mark since December 1980. Similar gains against other currencies. Means greater purchasing power for American consumers.
- 4) Taxes - The biggest tax cut in history: A 25% cut in individual income taxes over three years, giving Americans a \$113 billion tax-savings; "broken even" eliminated by tax indexing. Investment incentives for business in place.
- 5) Tax reform - Most significant tax reform package in history passed this year. Increases fairness and equity while expanding the base of the system.
- 6) Government spending - Reduced growth of Federal outlays from 17.4% in 1980 to 11.2% in 1982. A further decline to 7.5% projected by 1985 under this year's budget resolution.
- 7) Saving - Personal saving rate was at a major 5.2% in December 1980, but has rebounded to 6.9%.
- 8) Vigorous comeback by Wall Street - Ever since Congress approved President Reagan's \$100 billion tax reform bill in August, the stock market has enjoyed a record-setting comeback with the Dow Jones average climbing almost 500 points in less than two months.
- 9) Prospects for a steady noninflationary recovery - due to Administration's success at reducing inflation and falling interest rates.
- 10) Reduction of regulatory burdens - evidence of cost-cutting incentives required for new regulations.