

News from Senator

BOB DOLE



(R - Kansas) 2213 Dirksen Building, Washington, D.C. 20510

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CONTACT: WALT RIKER
(202) 224-6521

DOLE DIRECTS ATTENTION TO POSITIVE ECONOMIC NEWS

STAMFORD, CONNECTICUT -- Urging voters not to be discouraged by the media's negative economic reports, Kansas Senator Bob Dole today offered six positive signs as proof economic recovery is underway.

"I can understand the public's confusion over the condition of the economy if it gets its information solely from newspaper headlines, capsule TV reports and campaign slogans. But the truth is, there are several encouraging economic statistics that are simply not getting the headlines they deserve," Dole said. "For example, the latest figures on personal income clearly show that if the trend holds, American workers can expect to earn an additional \$400 during the next year."

According to Dole, personal income is only one of six positive indicators that the economy is in far better shape than it was two years ago:

- 1) Personal income was up \$7.7 billion in September when compared to August. If this rate continues during the next year, income per person will increase by \$400.
- 2) All interest rates are down. Anyone waiting to buy a house, or a car can take comfort in knowing that President Reagan has successfully knocked down interest rates from a staggering 21 1/2% in January 1981, to 12% today. Mortgage rates are also down 3-4 points from a year ago.
- 3) Total output of the nation's goods and economy, as reflected by the Gross National Product, was up almost 1% in the third quarter, the second consecutive quarterly increase. This means U.S. production is on the move.
- 4) The New York Stock Exchange continues to set records on almost a daily basis. Since mid-August, the market has climbed almost 250 points. As a leading barometer of the economy, there's no doubt the good news from Wall Street means good news for all those on Main Street, too. Every postwar recovery has been preceded by a boom in the market.
- 5) Housing starts rose by 14.4% last month, bringing new hope to an industry crippled by the recession. More than one million housing projects have been started this year, with work on single-family homes climbing by 6.6%. This increased construction activity will spill over into every field connected with housing. Lower interest rates have helped spark this comeback.
- 6) Inflation continues to stay down. Presently, inflation is running at 5%, down dramatically from the paralyzing 12.4% the previous administration left behind.

"As the economic statistics tell us, we are indeed entering a period of recovery. Because it will be a long and slow process, it is vital that Americans have confidence about the future of the economy. Yes, unemployment remains a serious problem -- but I believe unemployment is not an indicator of the future," Dole said.

"Becoming unnecessarily negative about economic prospects will only serve to delay recovery. This will not happen, however, if we make a fair and balanced appraisal of all aspects of the economy," Dole concluded.

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According to Dole, personal income is only one of six positive indicators that the economy is in far better shape than it was two years ago:

- 1) Personal income was up \$2.7 billion in September when compared to August. If this rate continues during the next year, income per person will increase by \$400.
- 2) All interest rates are down. Anyone waiting to buy a house or a car can take comfort in knowing that President Reagan has successfully knocked down interest rates from a staggering 21 1/2% in January 1981, to 12% today. Mortgage rates are also down 3-4 points from a year ago.
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- 6) Inflation continues to stay down. Presently, inflation is running at 3%, down dramatically from the paralyzing 12.4% the previous administration left behind.