

BOB DOLE



(R - Kansas)

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FOR IMMEDIATE RELEASE
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STATEMENT OF SENATE MAJORITY LEADER BOB DOLE

NEW ECONOMIC FIGURES CAUSE FOR CONCERN

THE COMMERCE DEPARTMENT RELEASED PRELIMINARY SECOND QUARTER GNP GROWTH FIGURES THIS MORNING, AND THE NEWS IS CAUSE FOR CONCERN: ECONOMIC GROWTH AT AN ANNUAL RATE OF 1.1%, THE SLOWEST RATE SINCE THE END OF THE 1981-82 RECESSION.

FAIRNESS THERE WAS ALSO SOME GOOD NEWS: THE PRELIMINARY RATE OF FIRST QUARTER GROWTH, WHICH HAD BEEN ESTIMATED TO BE 2.5%, WAS REVISED UPWARD TO 3.8%. IN OTHER WORDS, IT TURNS OUT THAT ECONOMIC GROWTH AT THE BEGINNING OF THIS YEAR WAS NOT SO BAD. THE GROWTH RATE FOR THE ENTIRE YEAR OF 1985 WAS ALSO REVISED UPWARD FROM 2.2% TO 2.7%.

OF COURSE, IT IS POSSIBLE -- AS WE ALL HOPE -- THAT SECOND QUARTER GROWTH RATE ALSO WILL BE REVISED UPWARD IN A FEW MONTHS. BUT WE CAN'T AFFORD TO TAKE THAT FOR GRANTED, AND THE SIGNS OF SLUGGISH GROWTH ARE TROUBLING.

ON JUNE 12, I FIRST CALLED ON THE FEDERAL RESERVE TO RECOGNIZE THE RISKS OF A SLOWING ECONOMY AND URGED A SIGNIFICANT REDUCTION IN THE DISCOUNT RATE.

SUBSEQUENTLY THE FED DID LOWER THAT RATE A HALF PERCENT. I APPLAUD THAT, AS HAVE THE FINANCIAL MARKETS.

BUT I THOUGHT THEN, AND I CONTINUE TO THINK NOW, THAT WE CAN GO LOWER: ANOTHER HALF POINT TO A POINT, DEPENDING ON WHAT THE EXPERTS THINK IS APPROPRIATE.

OUR JOB IN CONGRESS IS TO REDUCE THE BUDGET DEFICIT. BUT THAT TASK WILL BE NEVER-ENDING IF THE ECONOMY FALLS INTO A NO-GROWTH PATH WHICH DRIVES REVENUES DOWN AND DEFICITS UP. WE NEED A COOPERATIVE EFFORT HERE.

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