



NEWS from U.S. Senator Bob Dole

(R.—Kans.)

New Senate Office Building, Washington, D.C. 20510 (202) 224-6521

FOR IMMEDIATE RELEASE:
THURSDAY, FEBRUARY 1, 1979

CONTACT: BOB WATTE, BILL KATS
(202) 224-8953

DOLE OFFERS 'REASONABLE ALTERNATIVE' TO ADMINISTRATION'S REAL WAGE INSURANCE

(WASHINGTON)— Senator Bob Dole (R-Kansas) today offered what he termed "a realistic alternative" to the Administration's Real Wage Insurance Program.

Dole, testifying before the House Ways and Means Committee, called the Administration's plan "expensive and complicated" and called for the adoption of tax indexing as an alternative.

According to Dole, "Real Wage Insurance is inequitable. It applies to only the select taxpayer. Despite a contrary opinion from the Administration," continued Dole, "the program would be an administrative quagmire. As structured, there would be more paperwork and layers of regulations for employers to plow through. The program is designed to attack wage increases as a cause of inflation. While there may be a connection, I think there are other avenues, such as decreasing federal spending and eliminating useless regulation, that may be more beneficial in reducing inflation.

"I didn't come here today just to criticize the Real Wage Insurance Proposal. I have come to offer an alternative. It is an alternative which is fair, simple, and equitable," said Dole.

Tax Equalization Act

"I believe Congress should adopt a system of tax indexing— periodic inflation adjustments— to compensate for tax inflation. An indexing proposal such as S. 12, the Tax Equalization Act, which I have introduced, and H.R. 365, the companion bill in the House, introduced by Mr. Gradison, could and should be used as an anti-inflation tool.

"The Tax Equalization Act would automatically adjust tax liabilities each year to reflect increases in the cost of living. Under TEA, the personal exemption, the zero bracket, and the tax rates would reflect increases in the cost of living as measured by the increase in the Consumer Price Index during the previous year. The Tax Equalization Act is effective beginning with tax years after 1980, and will remain in effect four years, at which point Congress will have an opportunity to review and determine whether to continue the indexing adjustments," said Dole.

Fair and Equitable

"Let me explain why indexing is an effective alternative to Real Wage Insurance," Dole told Committee members. "Indexing applies to all workers, not to just a select few. It would eliminate the illusory tax cuts that Congress uses to deceive the American public. Indexing requires only a simple adjustment to the tax code, not reams of regulations.

"Indexing is the sensible alternative to Real Wage Insurance. It is simple and equitable; it will provide restraint on the government. I urge this committee to take a close look at it," said Dole.