

News from Senator

BOB DOLE



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LEGISLATION WOULD STOP WITHHOLDING OF GOVERNMENT CONTACTS BY GOV'T

WASHINGTON-- Senator Bob Dole (R.-Kansas) today introduced legislation which would prevent the Administration from withholding government contracts as a means of enforcing compliance with voluntary wage-price guidelines.

"It is clear that President Carter's wage and price guidelines have not worked and will not work. The guidelines cannot be administered fairly, they distort economic indicators and they retard economic growth. In essence, they serve as a floor, rather than a ceiling, for wage and price increases, thereby doing little to hold the line on these increases. But, most importantly, in attempting to treat only the symptoms of inflation, high wages and prices, and distract us from the real cause of inflation-- the fiscal and monetary policies of the government. Until we in the Congress realize that government is the primary cause of inflation, the problem will always be with us," Senator Dole said in his prepared statement.

The Guidelines Not Voluntary

"Faced with the failure of his 'voluntary' guidelines, the President has, in effect, made them mandatory by invoking the possibility of contract denials for non-compliance. President Carter and his advisors are trying to punish the victims of inflation, the wage earner and consumer, rather than the perpetrator of high inflation-- poor economic policy," said Dole, who is ranking Republican on the Senate Finance Committee.

"The Supreme Court recently let stand a circuit court ruling that the President has the authority to apply these procurement sanctions. Now that the courts have granted the White House the legal authority to withhold or withdraw contracts from noncomplying businesses, it intends, apparently, to proceed to punish several companies. But, to quote the Washington Post, such enforcement will 'not work in the atmosphere of hostility and confrontation that the administration generates by punishing some, but only a prominent few, of the violators.'"

Senator Dole went on to say that "it is unconscionable that the current Administration would lay the blame for our economic woes on the average American rather than tackle the tough questions that face our nation. It is my hope that by prohibiting the President from withholding government contracts, Congress can force the President to abandon his wage and price guidelines and begin to demonstrate leadership in finding a lasting solution to our economic problems."

The Kansas Republican added that he believes actions such as balancing the budget, reducing government spending, and eliminating excessive regulation are needed to curb inflation.

"It is my plan to offer this legislation as an amendment to appropriate legislative vehicles in order to hasten much needed relief for those Americans suffering undue hardship because of poor policy decisions. I hope that others will join with me," added Dole.

Senator Dole was joined by all of the Republican members of the Senate Banking, Housing and Urban Affairs Committee in offering this bill.