

THE WHITE HOUSE

WASHINGTON

February 3, 1981

Dear Robert:

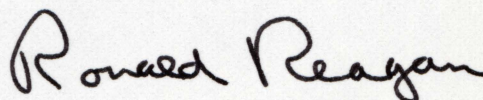
Last week, as you know, the Administration was forced to request an increase in the debt ceiling to 985 billion dollars. This request was made with deep regret, but it was necessary for the reasons elaborated in the attached letter to the Congress -- reasons which I very much hope you will find persuasive as you consider the request.

Our fundamental economic problem is not the debt ceiling. That is merely a symptom. Its upward spiral reflects the continuing effects of the misguided economic policies of the past. These undesirable effects will not disappear overnight. The key now, however, is to focus on changing our basic economic policies.

To that end, I will submit a new comprehensive economic program in the coming weeks -- a program which will include major reductions in projected spending. With the support of the Congress, that program will begin to get at the real fundamentals. I know the program will merit your support.

In the meanwhile, we must continue to pay the price of our unfortunate inheritance. With that inescapable fact in view -- and with an eye on the special need to preserve orderly financial markets at this time -- I ask your support of legislation to increase the debt ceiling.

Sincerely,



The Honorable Robert Dole
United State Senate
Washington, D.C. 20510