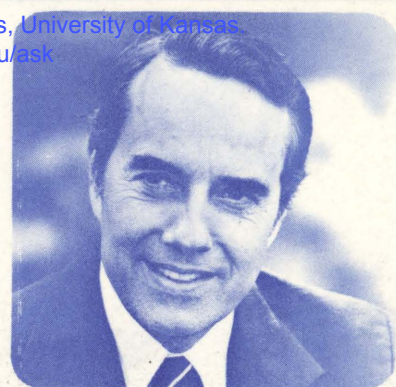


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## DESPITE INCREASING FEDERAL REVENUES, ADMINISTRATION NO CLOSER TO BALANCING BUDGET, DOLE SAYS

WASHINGTON -- Senator Bob Dole (R-Kan.), ranking Republican on the Senate Finance Committee, said today that despite increasingly higher rates of taxation, the Carter Administration has not come much closer to balancing the federal budget than it was in 1976.

"In 1976, President Carter ran on a promise that he would balance the federal budget by the year 1980," Dole said. "Now 1980 has arrived, and we are no closer to balancing the budget than we were in 1976. The current budget will not help this situation.

"This budget calls for levels of taxation which we haven't seen here in America for more than 35 years. Yet President Carter has proven incapable of bringing us closer toward balancing the budget. This Administration seems content to hold down budget deficits by taxing inflation.

"The Fiscal Year 1981 budget projects that 21.7 percent of the total Gross National Product will be revenues. The year that most closely approximates this high level of revenues was 1944, when revenues were 21.9 percent of GNP. Projections for Fiscal Year 1982 show an even larger proportion of revenues.

"But clearly, the budget before the Congress is not a restrained budget. President Carter projects a \$15.8-billion deficit, but if all the proposed programs were to be implemented, the deficit would be more like \$23.5 billion.

"I would point to the much-hailed increase in defense spending as a prime example of how misleading the current budget figures are. The Administration contends that the spending increase will be approximately 5.6 percent. But the Congressional Budget Office says that a more realistic figure would be 4.1 percent, once inflation is taken into account. The increase in defense expenditures that was expected by some may not prove to be adequate enough to meet our immediate needs."