

News from Senator

BOB DOLE



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DOLE WILL CALL ON COLLEAGUES TO OPPOSE WAGE AND PRICE CONTROLS

WASHINGTON -- Senator Bob Dole (R-Kan.) said today he will introduce a resolution at the earliest possible date to place the Congress on record opposing mandatory wage and price controls.

Dole, the ranking Republican on the Senate Finance Committee, also said he is looking into the possibility of taking action on the matter of credit controls in order to ease tightening credit markets.

"Government-released figures that show inflation at an astonishing rate of upwards of 18 percent leave us in Congress with little choice but to recommend that harsh action be taken to rein in inflation," Dole said following a meeting with economists Arthur Burns, Alan Greenspan and Arthur Okun. "The most important thing we can do at this point is to make sure that the business community in this country understands that many of us in Congress see wage and price controls as one of the worst remedies available in fighting inflation. Talk of instituting these controls simply adds pressure to an already volatile situation, as businesses seek to raise their prices, and banks tighten their credit. In the end, it is the consumer who loses.

"I am confident that there are enough senators on both sides of the aisle that are determined to see that these controls are not used. I will be actively seeking the support of both Democrats and Republicans in this effort."

Dole's resolution would express the sense of the Congress in opposition to establishing or authorizing a system of wage and price controls. "I hope this action would allay some of the fears of business and labor, and show that Congress is concerned about our rapidly deteriorating economic posture.

"Today we are faced with an inflation rate of more than 18 percent, a prime interest rate of 17 3/4 and a federal deficit which threatens to top the \$40-billion mark. Now, belatedly, President Carter and Alfred Kahn are launching an election year charade involving budget cuts. President Carter today called on the American people to 'bite the bullet' to control inflation. But this Administration during the past three years has shown little inclination to take its own advice. Where were they when many of my colleagues and I were pleading for budget restraint?"

Former Federal Reserve Chairman Arthur Burns agreed that Dole's proposal would be helpful in returning stability to prices, and that credit action would also be welcomed.

"I find it encouraging that Mr. Burns agrees with me on this point," Dole said. "The central point is that wage and price controls will harm the American consumer. As business and lending institutions lose faith in our ability to solve inflation, so do consumers. We cannot afford the panic that wage and price controls would introduce into the system. Resulting price hikes and credit shortages eventually will come to rest on the shoulders of the American people. It's time for this Congress, and especially this Administration, to get serious about fighting inflation."