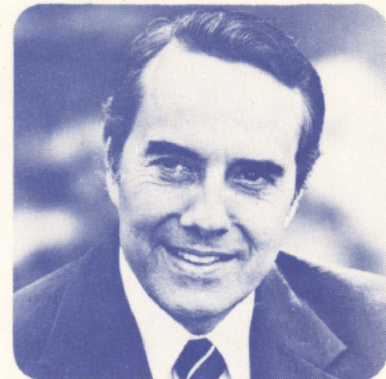


News from Senator

BOB DOLE



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DOLE INTRODUCES CARIBBEAN BASIN INITIATIVE

WASHINGTON -- Calling it a major step toward economic and political stability in the troubled Caribbean, Senator Robert Dole (R.-Kan.) today introduced the administration's Caribbean Basin Initiative.

"I am happy to join the President in his efforts to help our Southern neighbors gain economic strength and to develop a new mutually-beneficial relationship with the United States," Dole said.

Dole, Chairman of the Senate Finance Committee, introduced the Caribbean proposal at the request of President Reagan. Senators John Danforth (R.-Mo.) and Charles Percy (R.-Ill.) joined Dole in cosponsoring the administration's bill.

"The desperate economic crisis many of the Caribbean and Central American nations face today belies the richness of their cultures and resources," Dole said. "Too long have we missed the opportunity to develop and share the substantial benefits certain to arise from a full partnership with our Caribbean neighbors. I agree with the President's judgement that 'this is not a crisis we can afford to ignore. Their well-being and security are in our own vital interest'," Dole added.

The Caribbean Initiative is an integrated program of trade, investments and aid designed to spur economic growth in the nations of the Caribbean Sea and the Central American Peninsula. President Reagan sent the proposal to the Congress yesterday, after introducing it February 24th in a speech to the Organization of American States.

"While I recognize the precarious nature of the Caribbean problem, and that our national interests demand the bold plan the President is offering," Dole said, "I believe the one-way free trade area and investment tax credit proposed by the President require close examination with regard to their long-term implications for U.S. trade and tax policy, and for their short-term effects on U.S. industry."

Under the Caribbean proposal, the free-trade area would expire in 12 years, and the tax credit would be in effect for five years.

Senator Dole said the Finance Committee will fully evaluate the adequacy of safeguards for U.S. domestic industries that might be harmed by a sudden surge of imports from beneficiary countries. Additionally, Dole said the committee would study the value of an investment tax credit as opposed to other kinds of investment credits, and the steps necessary to prevent any abuse of tax incentives.

Dole also expressed particular interest in the integration of Puerto Rico and the Virgin Islands into an overall assistance plan for the region. "I am hopeful that the President's specific assistance measures for Puerto Rico and the Virgin Islands will help maintain and reinforce our long-time beneficial relationship with these old friends," Dole said.

Dole expressed confidence that Congress would provide the President with the tools necessary to lend the beneficiary countries in the Caribbean a strong helping hand.