

News from Senator

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## CARTER BUDGET IS BASED ON UNREALISTIC EXPECTATIONS

WASHINGTON -- Senator Bob Dole (R.-Kansas) made the following statement on the President's FY 1982 budget:

"President Carter, to his final days in office, has failed to understand that any 'economic revitalization' program cannot be based upon massive increases in Federal taxes or spending programs. Unfortunately, the FY 1982 budget, unveiled today, includes over \$104 billion in additional Federal revenues and also continues to support expansions in income security, health and related programs," Dole said.

"The 1982 budget contains a rehash of a number of shopworn tax increase proposals including a 10-cent-per-gallon tax on gasoline, a 15 percent withholding tax on interest and dividends income, and a 10 percent tax on independent contractors. These tax increases were proposed last year, but failed to be enacted because they were not considered wise tax policy. I doubt these proposals have any better chance of enactment this year than they did in the last Congress.

"Similarly, the Carter budget proposes an increase in Social Security taxes as one alternative to the Social Security financing problem. This is cruel in light of the one percent combined Social Security tax increase which became effective two weeks ago. On the other hand, the other alternatives in the budget reflect the unwillingness of this Administration to confront directly both the long and short-term financing problems in the Social Security program or the need to reduce the general fund deficit.

"The Carter Administration continues to the end to support expansion of programs, such as child health insurance and welfare. The limited cuts in government programs included in this budget are disappointing in light of the urgent need to cut government spending.

"It is heartening to note that the budget does include at least some modest tax reductions. For example, some improvement of business depreciation system is proposed, but the current Administration's proposal is far less than needed to provide an effective incentive. The Senate Finance Committee's accelerated depreciation proposal is a better model.

"The Carter Administration's proposal for individual tax deductions is similarly too modest. All Americans deserve at least some relief from the sharp tax increases brought about by the hike in Social Security taxes and by inflation pushing taxpayers into ever-higher income tax brackets.

"Much of the blame for our economic stagnation must rest on the enormous tax burden which the American people now bear. Only a substantial tax reduction, combined with limitation of Federal spending, can effect a real and long-lasting recovery."