

News from Senator

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OPENING STATEMENT OF SENATOR DOLE

SOCIAL SECURITY HEARINGS

FEBRUARY 15, 1983

On behalf of the Finance Committee, I am pleased to welcome the members of the National Commission on Social Security Reform. I know I speak for Senators Armstrong, Heinz, and Moynihan, who also served on the Commission, when I say that it has been both a pleasure and an honor to work with this distinguished group of public servants. Reaching a consensus on Social Security reform would have been impossible had it not been for the diligence and the spirit of cooperation shown by each member of the National Commission. I would like to point out at the start that Robert Beck and Lane Kirkland are unavoidably absent due to conflicts in their schedules.

Just a year ago, prospects for a bipartisan consensus were remote. The Social Security program had been mired in political controversy for nearly a year when the National Commission was created. The system moved closer to insolvency as proposals for financial reform were subjected to partisan political attack. As a group with widely divergent views, we probably seemed incapable of reaching any true bipartisan consensus.

Yet on January 15, with the cooperation and approval of President Reagan and House Speaker O'Neill, the National Commission issued a consensus reform package with broad bipartisan support. As is clear from the twelve members who support the package, both political parties were represented in our negotiations as were the interests of the elderly, organized labor and general taxpayers.

The package will require concessions from all of the parties who have a stake in Social Security--current and future beneficiaries, taxpayers, and government employees who do not now contribute to the system. Not surprisingly, therefore, no one is happy with each and every specific recommendation. The important fact, however, is that agreement was reached on the essential provisions of a Social Security solution.

On January 26, Commission members Moynihan and Heinz joined me and eight other Senators in introducing S.1. The bill is intended to mirror the recommendations of the Commission and, as such, leaves unresolved a number of legislative decisions. Among other things, we will want to consider ways to eliminate the notch created by the provision to tax benefits; options for minimizing the impact of the COLA delay on low income recipients who are also on SSI; and the merits of offsetting the self-employed tax increase with a tax credit or deduction. In the course of the next five days of hearings, we are likely to learn of additional areas requiring refinement or clarification.

Members of the National Commission recognize that many details remain to be worked out within the legislative process. To the greatest extent possible, however, the Commission's recommendations will have to be considered as a package. The final product carefully balanced many interests. An unravelling of any single provision would clearly jeopardize the entire package.

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We have a big job ahead of us in Congress. We face many difficult decisions as to the details of the legislation, and in light of the preliminary excerpts from the 1983 Board of Trustees report, we will have to carefully consider the adequacy of the measures proposed. Needless to say, we in the Commission fashioned our consensus recommendation on the basis of the best and most up-to-date information we had available. I feel confident that we can tailor the package to meet greater financial needs if that should become necessary.

The balance of the long-term deficit also remains to be addressed. In my view, a balanced solution to this problem will involve bringing the cost of Social Security into line with the ability of our working population to finance the system. The tax burden is already heavy, and the confidence of young people critically low.

The American people--the 36 million people receiving benefits as well as the 116 million working people who support the system--deserve the speedy consideration of this bipartisan package of recommendations. Confidence in the long-term viability of Social Security will be restored only by enacting measures that put the system on a sound financial footing and do so without imposing an unrealistic tax burden on present and future workers.