

News from Senator

BOB DOLE



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DOLE HITS BUDGET AS "SMOKESCREEN"

LAKE OKOBOJI, IOWA -- Senate Finance Committee Chairman Bob Dole (R.-Kan.) today criticized the 1984 budget agreement passed by Congress as a potential "smokescreen" that could disguise members' unwillingness to tackle the problem of spending and deficits in a meaningful and realistic way. Dole made the remarks in a speech to the Iowa Manufacturers Association.

"This budget relies almost exclusively on tax increases to get the deficit down," Dole observed. "The revenue targets of \$73 billion over three years -- \$12 billion in 1984, \$15 billion in 1985, and \$46 billion in 1986 -- will be extremely difficult to achieve, at best."

"What is more, the budget lacks credibility. Twenty four of the 51 Senators who voted for the budget resolution just last week led the effort in the Senate to reject provisions that would raise \$8.5 billion in revenues from improved compliance. Furthermore, just last year, every Democrat who voted for the budget resolution refused to vote for the tax reform package designed to meet the revenue goals."

Senator Dole, whose Senate Finance Committee would be required to achieve 88 percent of the deficit reduction required by the budget resolution, argued that the public and financial markets have demanded a balanced deficit reduction plan.

"In this case, although the conferees on the budget tried hard to be responsible, Congress just failed to deliver," Dole said. "This is not a balanced plan; the ratio of tax increases to reconciled spending reductions is six to one. Higher taxes account for 86 percent of the deficit reduction. In terms of maintaining credibility and helping sustain economic recovery, we can and must do better."

"The risk with this budget is that it may allow members of Congress to claim fiscal responsibility while they proceed to give away the store on specific legislative proposals. A perfect example of that is the so-called 'contingency fund' to allow for new spending -- \$8.5 billion in FY 1984 alone -- while at the same time members can claim that spending is under control because the funds are 'contingent' on further legislative action. By that standard, virtually everything in the budget is 'contingent'. When the budget process threatens to become a protective screen for fiscal irresponsibility, despite the best efforts of the budget committees, it may be time to think of new options. Hopefully the President and Congress will do better when it comes to specific spending bills, so that we have a fighting chance of getting the deficit down," Dole said.