

News from Senator

BOB DOLE



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DOLE ENCOURAGED BY PRESIDENT REAGAN'S REMARKS ON TAX OPTIONS --
COMMON GROUND FORMS FOR MAJOR ATTACK ON DEFICITS IN '84

CHAMPAIGN, ILLINOIS -- Senator Robert J. Dole (R-Kansas), Chairman of the Senate Finance Committee, said today that comments by President Reagan on possible contingent tax options in the 1985 budget were "fully consistent with" the Finance Committee's plans to put together a deficit-reduction package that includes contingent tax increases. Senator Dole made his remarks in Champaign, Illinois, speaking to a seminar sponsored by the Bank of Illinois.

"President Reagan made clear that he opposes a tax increase in 1984, but that tax changes would be considered for 1985 if they were preceded by spending reductions," Dole stated. Senator Dole was referring to remarks made by the President in a question-and-answer session with reporters on Wednesday, December 14.

"President Reagan is a realistic man and has a strong sense of his priorities for the Nation. That is why he insists we go the last mile on spending reductions before implementing any tax increase to reduce the deficit," Dole said. "The Finance Committee has taken a similar view in its work on a deficit-reduction package. All taxes other than loophole closers (such as public property leasing reform) that are supported by the Administration, would be deferred until 1985 and would be expressly contingent on achieving specified spending cuts. This procedure guarantees spending cuts would precede any new taxes, and at least a dollar of spending reduction would precede each dollar of taxes," Dole said.

Senator Dole emphasized that the President's remarks are a further indication that common ground can be found that will facilitate a major deficit-reduction effort in 1984. "There will be a lot of hard bargaining and difficult compromises to make, but we on the Finance Committee are ready to go to work. I welcome this sign from the President and I hope we will have a similar indication from Speaker O'Neill," Dole said.