

News from Senator

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PROCEEDING ON THE BUDGET

As Members know, it was my intention that on today the Senate would proceed to consideration of S. Con. Res. 32, the resolution reported by the Budget Committee for the FY 1986 budget. Unfortunately it has not been possible to begin that debate, due to the press of business elsewhere--particularly for efforts to work out a durable compromise on the question of aid to the Contras in Nicaragua.

I want to assure all of my colleagues, and those in the media who may be listening, that the deficit reduction effort remains my top priority and the main item of business for this week. At this time I expect the budget resolution will be laid before the Senate early on Wednesday morning, shortly after convening. We will then, following opening statements and the like, get right into the budget debate.

NEED FOR SPENDING REDUCTION

We need a major spending reduction effort now, and we need a bipartisan effort. I anticipate very solid support for our deficit reduction plan on this side of the aisle, but it may not be unanimous in all areas. At the same time, I know that my Democratic colleagues want to make clear to their constituents that they are against deficits, that they support spending cuts, that they want lower interest rates, lasting recovery, and the stronger farm and manufacturing sectors that can result from reduced Federal borrowing and a moderating dollar. They can vote for all these things by supporting our deficit reduction package, and I fully expect that we will have a bipartisan success.

In the time between now and Wednesday, I would like to give all Members some additional information to consider with regard to this spending reduction effort. On April 11 I wrote to leading Wall Street economists to ask their views of how interest rates would respond if Congress enacted in full the budget package that we worked out with President Reagan. We are still getting responses, but so far the message is clear: interest rates could respond dramatically, and certainly would be considerably lower than they would be in the absence of action. A drop in interest rates of 1 or 2 percent in the near term, with continuing declines over the next three years, would make a real, tangible difference to all our constituents--those who want to own homes, operate a business, pay for their children's education, and so forth. That is something to consider when we weigh our loyalties to particular interests in the budget debate against our responsibility to the public interest and to our people as a whole.

For the benefit of Members, I would like to insert at this point a summary of the results of our survey of leading economic advisers to date--copies of the letters we have received in response to the survey--and the text of some information cards prepared by the Republican Policy Committee that do a good job of illustrating the real benefits we can claim for our constituents if--I would rather say when--our deficit reduction efforts succeed.