

## View Carter Proposals

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# Inflation Splits Lundine, Maguire

The two candidates for the 39th Congressional District seat have predictably come down on opposite sides in reaction to President Carter's recent anti-inflation plan.

While the Rev. Crispin Maguire, R-Olean, criticizes the plan for not addressing government spending and high taxes, Rep. Stanley Lundine, D-Jamestown, says the plan is strikingly similar to one which he sponsored in Congress last summer.

Lundine's Comprehensive Anti-Inflation Act of 1978 contained most of the elements included in Carter's program announced Tuesday night. The most important elements, according to Lundine's legislative aide are government restraint through regulatory budgets, numerical guidelines for price and wage increases, and the use of tax incentives to reward those who keep wages and prices down.

Maguire, speaking at the Bath Republican Women's Club Forum Tuesday, criticized Carter for waiting until two weeks before the election to disclose an inflation plan. He said the plan should have attacked the primary causes of inflation.

"The wage-price situation is the temperature of a very sick economy, not the cause," Maguire said. He added that the guidelines have been criticized by

business and labor because "while they clamp down on them, they do nothing about checking the free-spending federal government."

Lundine's bill, which is co-sponsored by 26 members of the House, resulted from an economic discussion group of eight members.

Those members wrote to Carter earlier this month when it appeared the President's anti-inflation program would be softened. Their letter urged that Carter take a firm stand in favor of a fair and workable set of wage-price guidelines which both business and working people could accept voluntarily.

While Lundine's anti-inflation bill did not specify numbers it called for the President to establish fair guidelines. Carter asked Tuesday that price increases be limited to 5.75 percent and wage increases to 7 percent per year.

Another concept supported by Lundine is the idea of the regulatory budget, which he sees as a form of government restraint. This requirement would force all agencies which establish a regulation to compute the cost of that regulation to business. For example, the agency responsible for automobile emissions standards would be responsible for figuring out how much those standards would cost the automobile

industry and, in turn, the consumer.

These regulatory budgets, Lundine has said, will reveal the "self-feeding bureaucracy."

The third aspect of Carter's plan which Lundine supported in his anti-inflation bill is tax incentives for those who cooperate with the program.

In his anti-inflation bill, Lundine urged that the Council of Economic Advisors study the use of tax incentives to reward those businesses and individuals who keep prices and wages below the guidelines. These rewards would come in the form of rebates on income and corporate taxes.

"We specifically oppose any mandatory wage and price controls," Lundine said earlier this month. "But we encourage the President to make use of voluntary incentives in the tax system and regulatory process which should motivate both the public and private sectors to keep costs down."