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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

AUG 22 1974

APPROVED
AUG 24 1974
Ceremony
Statement
(Cabinet Room)

MEMORANDUM FOR THE PRESIDENT

To archive
8/26

Subject: Enrolled Bill S. 3919 - Council on Wage and Price
Stability Act
Sponsor - Sen. Sparkman (D) Alabama

Last Day for Action

Purpose

Provides a monitoring organization in the Executive Office of the President to review the various factors and conditions which relate to supply and demand, price and wage movements, and productivity in the economy with the view to countering inflationary pressures.

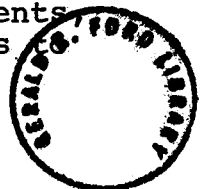
Agency Recommendations

Office of Management and Budget Approval (signing statement attached)

Discussion

The enrolled bill is substantially the same as the bill transmitted by President Nixon on August 5, 1974, which you subsequently endorsed. It would as requested:

- authorize the President to establish, in the Executive Office of the President, a Council on Wage and Price Stability
- authorize him to designate the Chairman of the Council
- authorize him to appoint a Director of the Council to be responsible to the President and the Chairman
- require the Council to monitor economic developments, encourage and assist the various economic sectors to cooperate in actions to restrain inflation;



- authorize the Director to employ and compensate such staff and consultants as necessary to perform the functions of the Council, and to utilize staff and facilities of other public agencies
- provide for the Council to report periodically to the President and the Congress
- authorize appropriations of \$1,000,000 for fiscal year 1975


Provisions of S. 3919 which differ from the Administration's proposal are as follows:

- creates a "Council on Wage and Price Stability" rather than the proposed "Cost of Living Task Force"
- the Council would consist of eight members and four adviser-members, all appointed by the President, whereas the Administration's proposal specified seven officials to serve as members plus such other members as the President might designate
- the Council would be required specifically to analyze anticompetitive practices; the Administration's proposal did not specify this as a function of the Task Force
- the authority of the Council would terminate on August 15, 1975; the Administration's proposal specified no termination date.

We do not consider the above differences of great significance. Accordingly, we recommend your approval of S. 3919.

We have prepared the attached draft of a signing statement for your consideration. We believe that statement would be an appropriate vehicle for announcing your appointment of the Council members and designating the Chairman. As drafted, the statement would have you appoint those officials specified in the Administration's bill, with the addition of the Secretary of Commerce, who was inadvertently omitted.

The signing statement would also indicate that you will announce the appointment shortly of a Council Director. A list of candidates and recommendation for that appointment is being prepared separately.



Director

Enclosures

Statement by the President

This afternoon I have signed into law S.3919, the Council on Wage and Price Stability Act of 1974. As authorized by that Act I hereby establish the Council within the Executive Office of the President.

I am very pleased that the Congress has moved as quickly and cooperated so completely in enacting this necessary piece of legislation. With the continued help and assistance of the Congress, I am sure we shall move deliberately in the months ahead to come to grips with inflation and to take the actions which will bring it under control.

The Council will provide us one means of identifying and acting upon some of the causes of inflation. It will bring into focus the critical developments in industrial performance, wage and productivity performance, and the effect of Federal Government actions on inflation. It will be an aggressive catalyst for action and will play an important part in this Administration's determination to control inflation.

It will not be a stepping-stone to a return to mandatory wage and price controls. The cost of controls is too great as measured in major dislocations in markets and reductions in supplies of goods.

The establishment of this Council is one step in what must truly be a shared effort by all elements of our society in the months ahead. We in the Federal Government will do our part to identify major wage and price increases and their causes and to take every appropriate action to promote stability. We will hold to a firm policy of fiscal and monetary restraint. Industry and labor have their work cut out for them--to exercise every reasonable restraint in price and wage increases. Together these steps can move us steadily toward our goal.

I am announcing today the appointment of the following members of the Council: the Counselor to the President for Economic Policy, the Chairman of the Council of Economic Advisers, the Secretaries of Treasury, Agriculture, Commerce, and Labor, the Director of the Office of Management and Budget, and the Special Assistant for Consumer Affairs. I am also announcing the appointment of three adviser-members

to the Council: the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Council on International Economic Policy, and the Chairman of the National Commission on Productivity and Work Quality. I will ask Kenneth Rush, Counselor for Economic Policy, to chair the Council and to convene its members immediately to develop an agenda for action.

I will announce shortly the appointment of a Director of the Council and will meet with the Council members to review with them the immediate steps to ensure that the new Council is successfully begun.

THE WHITE HOUSE
WASHINGTON

8/22/74

TO: WARREN HENDRIKS

It is my understanding that
this bill will be signed at 11 a.m.
tomorrow morning.

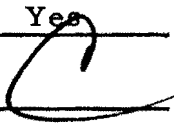


Robert D. Linder

THE WHITE HOUSE
WASHINGTON

ENROLLED BILL

SUBJECT: Enrolled Bill S. 3919 - An Act to
authorize the establishment of a Council on
Wage and Price Stability

<u>Name</u>	<u>Approval</u>	<u>Date</u>
<u>Kenneth Rush</u>	<u>Yes</u>	<u> </u>
<u>L. William Seidman</u>	<u>Yes</u>	<u> </u>
<u>Geoff Shepard</u>	<u>Yes</u>	<u> </u>
<u>Phil Buchen</u>	<u>Yes</u>	<u> </u>
<u>Bill Timmons</u>	<u>Yes</u>	<u> </u>
<u>Ken Cole</u>		<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

Comments:

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 526

Date: August 22, 1974

Time: 4:00 p. m.

FOR ACTION: Kenneth Rush
 William Seidman
 Geoff Shepard
 Phil Buchen
 Bill Timmons

cc (for information): Warren K. Hendriks
 Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 23, 1974

Time: 9:00 a. m.

SUBJECT: Enrolled Bill S. 3919 - An Act to authorize the establishment
 of a Council on Wage and Price Stability

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Kathy Tindle - West Wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
 For the President



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 22 1974

MEMORANDUM FOR THE PRESIDENT

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Sponsor - Sen. Sparkman (D) Alabama

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Approval (signing
statement attached)

Discussion

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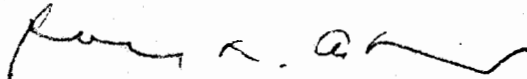
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The signing statement would also indicate that you will announce the appointment shortly of a Council Director. A list of candidates and recommendation for that appointment is being prepared separately.

A handwritten signature in black ink, appearing to read "Paul R. Atkinson". The signature is fluid and cursive, with a prominent initial "P" and a long, sweeping underline.

Director

Enclosures

Statement by the President

This afternoon I have signed into law S.3919, the Council on Wage and Price Stability Act of 1974. As authorized by that Act I hereby establish the Council within the Executive Office of the President.

I am very pleased that the Congress has moved as quickly and cooperated so completely in enacting this necessary piece of legislation. With the continued help and assistance of the Congress, I am sure we shall move deliberately in the months ahead to come to grips with inflation and to take the actions which will bring it under control.

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It will not be a stepping-stone to a return to mandatory wage and price controls. The cost of controls is too great as measured in major dislocations in markets and reductions in supplies of goods.

The establishment of this Council is one step in what must truly be a shared effort by all elements of our society in the months ahead. We in the Federal Government will do our part to identify major wage and price increases and their causes and to take every appropriate action to promote stability. We will hold to a firm policy of fiscal and monetary restraint. Industry and labor have their work cut out for them--to exercise every reasonable restraint in price and wage increases. Together these steps can move us steadily toward our goal.

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I will announce shortly the appointment of a Director of the Council and will meet with the Council members to review with them the immediate steps to ensure that the new Council is successfully begun.

FACT SHEET

COUNCIL ON WAGE AND PRICE STABILITY ACT

The President today signed into law the Council on Wage and Price Stability Act, providing authority for the Government to monitor the various sectors of our economy as part of the on-going fight against inflation.

BACKGROUND

On August 12, 1974, the President asked the Congress promptly to enact legislation authorizing a Cost of Living Task Force within the Executive Office of the President to monitor wages and prices throughout the economy and recommend appropriate actions to counter inflation. S. 3919 provides the requested authority and is tangible evidence of bipartisan cooperation in the national fight against inflation.

MAJOR PROVISIONS

This legislation will authorize:

- the President to establish, within the Executive Office of the President, a Council on Wage and Price Stability, consisting of eight members and four adviser-members appointed by the President and a Chairman and Director designated by the President;
- the Director of the Council to employ and compensate staff members and consultants as necessary to perform the duties of the Council;
- the Council to monitor the economy as a whole, work with labor and management to improve the structure of collective bargaining and encourage price restraint, focus attention on the need for increased productivity, conduct public hearings

to help publicize inflationary problems, and review the Government's policies and programs to determine their effect upon inflation;

- the Council to utilize the services, personnel, and facilities of public agencies at all levels, and to obtain economic data or information from other Federal agencies (with subsequent disclosure of such information by the Council as limited by existing law);
- appropriations not to exceed \$1,000,000 for fiscal year 1975 to carry out the purposes of the Act; and
- the Council to report to the President and the Congress from time to time concerning its activities, findings, and recommendations.

The legislation would not authorize mandatory or standby controls over wages, salaries, prices, rents, and corporate dividends.

EFFECTIVE DATES

The legislation would become effective on date of enactment and would terminate on August 15, 1975.

THE WHITE HOUSE

WASHINGTON
August 22, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS *WET*

SUBJECT: Action Memorandum - Log No. 526
Enrolled Bill S. 3919 - An Act to authorize
the establishment of a Council on Wage and
Price Stability

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

THE WHITE HOUSE

RUSH

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 526

Date: August 22, 1974

Time:

4:00 p. m.

FOR ACTION: Kenneth Rush
L. William Seidman
Geoff Shepard
Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 23, 1974

Time:

9:00 a. m.

SUBJECT: Enrolled Bill S. 3919 - An Act to authorize the establishment of a Council on Wage and Price Stability

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

OMB will follow with a Bill Report

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To authorize the establishment of a Council on Wage and Price Stability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Council on Wage and Price Stability Act".

SEC. 2. (a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President.

(c) There shall be a Director of the Council who shall be appointed by the President. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

(e) The Director of the Council may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

SEC. 3. (a) The Council shall—

(1) review and analyze industrial capacity, demand, supply, and the effect of economic concentration and anticompetitive practices, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

THE WHITE HOUSE

(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

SEC. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accord with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

S. 3919—3

SEC. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

SEC. 7. The authority granted by this Act terminates on August 15, 1975.

Carl Albert

Speaker of the House of Representatives.

James O. Eastland

Vice President of the United States and

President of the Senate.

pro Tempore

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 22 1974

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Office of Management and Budget

Approval (signing
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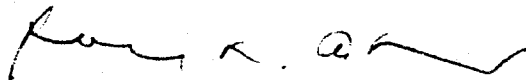
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to the Council: the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Council on International Economic Policy, and the Chairman of the National Commission on Productivity and Work Quality. I will ask Kenneth Rush, Counselor for Economic Policy, to chair the Council and to convene its members immediately to develop an agenda for action.

I will announce shortly the appointment of a Director of the Council and will meet with the Council members to review with them the immediate steps to ensure that the new Council is successfully begun.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 22 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3919 - Council on Wage and Price
Stability Act
Sponsor - Sen. Sparkman (D) Alabama

Last Day for Action

Purpose

Provides a monitoring organization in the Executive Office of the President to review the various factors and conditions which relate to supply and demand, price and wage movements, and productivity in the economy with the view to countering inflationary pressures.

Agency Recommendations

Office of Management and Budget

Approval (signing
statement attached)

Discussion

The enrolled bill is substantially the same as the bill transmitted by President Nixon on August 5, 1974, which you subsequently endorsed. It would as requested:

- authorize the President to establish, in the Executive Office of the President, a Council on Wage and Price Stability
- authorize him to designate the Chairman of the Council
- authorize him to appoint a Director of the Council to be responsible to the President and the Chairman
- require the Council to monitor economic developments, encourage and assist the various economic sectors to cooperate in actions to restrain inflation;

- authorize the Director to employ and compensate such staff and consultants as necessary to perform the functions of the Council, and to utilize staff and facilities of other public agencies
- provide for the Council to report periodically to the President and the Congress
- authorize appropriations of \$1,000,000 for fiscal year 1975

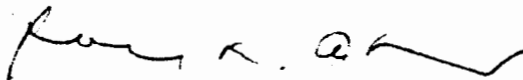
Provisions of S. 3919 which differ from the Administration's proposal are as follows:

- creates a "Council on Wage and Price Stability" rather than the proposed "Cost of Living Task Force"
- the Council would consist of eight members and four adviser-members, all appointed by the President, whereas the Administration's proposal specified seven officials to serve as members plus such other members as the President might designate
- the Council would be required specifically to analyze anticompetitive practices; the Administration's proposal did not specify this as a function of the Task Force
- the authority of the Council would terminate on August 15, 1975; the Administration's proposal specified no termination date.

We do not consider the above differences of great significance. Accordingly, we recommend your approval of S. 3919.

We have prepared the attached draft of a signing statement for your consideration. We believe that statement would be an appropriate vehicle for announcing your appointment of the Council members and designating the Chairman. As drafted, the statement would have you appoint those officials specified in the Administration's bill, with the addition of the Secretary of Commerce, who was inadvertently omitted.

The signing statement would also indicate that you will announce the appointment shortly of a Council Director. A list of candidates and recommendation for that appointment is being prepared separately.

A handwritten signature in cursive script, appearing to read "J. R. A.", written in dark ink.

Director

Enclosures

Statement by the President

This afternoon I have signed into law S.3919, the Council on Wage and Price Stability Act of 1974. As authorized by that Act I hereby establish the Council within the Executive Office of the President.

I am very pleased that the Congress has moved as quickly and cooperated so completely in enacting this necessary piece of legislation. With the continued help and assistance of the Congress, I am sure we shall move deliberately in the months ahead to come to grips with inflation and to take the actions which will bring it under control.

The Council will provide us one means of identifying and acting upon some of the causes of inflation. It will bring into focus the critical developments in industrial performance, wage and productivity performance, and the effect of Federal Government actions on inflation. It will be an aggressive catalyst for action and will play an important part in this Administration's determination to control inflation.

It will not be a stepping-stone to a return to mandatory wage and price controls. The cost of controls is too great as measured in major dislocations in markets and reductions in supplies of goods.

The establishment of this Council is one step in what must truly be a shared effort by all elements of our society in the months ahead. We in the Federal Government will do our part to identify major wage and price increases and their causes and to take every appropriate action to promote stability. We will hold to a firm policy of fiscal and monetary restraint. Industry and labor have their work cut out for them--to exercise every reasonable restraint in price and wage increases. Together these steps can move us steadily toward our goal.

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RUSH

ACTION MEMORANDUM

Date: August 22, 1974

Time: 4:00 p. m.

FOR ACTION: Kenneth Rush
L. William Seidman
✓ Geoff Shepard
Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 23, 1974

Time: 9:00 a. m.

SUBJECT: Enrolled Bill S. 3919 - An Act to authorize the establishment of a Council on Wage and Price Stability

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

OMB will follow with a Bill Report.

*No Objection
WCS.*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To authorize the establishment of a Council on Wage and Price Stability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Council on Wage and Price Stability Act".

SEC. 2. (a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President.

(c) There shall be a Director of the Council who shall be appointed by the President. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

(e) The Director of the Council may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

SEC. 3. (a) The Council shall—

(1) review and analyze industrial capacity, demand, supply, and the effect of economic concentration and anticompetitive practices, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

SEC. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accord with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

SEC. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

SEC. 7. The authority granted by this Act terminates on August 15, 1975.

Carl Albert

Speaker of the House of Representatives.

James O. Eastland

Vice President of the United States, and

President of the Senate.

pro Tempore

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 22 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3919 - Council on Wage and Price
Stability Act
Sponsor - Sen. Sparkman (D) Alabama

Last Day for Action

Purpose

Provides a monitoring organization in the Executive Office of the President to review the various factors and conditions which relate to supply and demand, price and wage movements, and productivity in the economy with the view to countering inflationary pressures.

Agency Recommendations

Office of Management and Budget

Approval (signing
statement attached)

Discussion

The enrolled bill is substantially the same as the bill transmitted by President Nixon on August 5, 1974, which you subsequently endorsed. It would as requested:

- authorize the President to establish, in the Executive Office of the President, a Council on Wage and Price Stability
- authorize him to designate the Chairman of the Council
- authorize him to appoint a Director of the Council to be responsible to the President and the Chairman
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- authorize the Director to employ and compensate such staff and consultants as necessary to perform the functions of the Council, and to utilize staff and facilities of other public agencies
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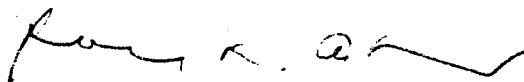
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We have prepared the attached draft of a signing statement for your consideration. We believe that statement would be an appropriate vehicle for announcing your appointment of the Council members and designating the Chairman. As drafted, the statement would have you appoint those officials specified in the Administration's bill, with the addition of the Secretary of Commerce, who was inadvertently omitted.

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Director

Enclosures

Statement by the President

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I will announce shortly the appointment of a Director of the Council and will meet with the Council members to review with them the immediate steps to ensure that the new Council is successfully begun.

THE WHITE HOUSE
WASHINGTON

ACTION MEMORANDUM

LOG NO.: 526

RUSH
for file

Date: August 22, 1974

Time: 4:00 p. m.

FOR ACTION: ✓ Kenneth Rush
L. William Seidman
Geoff Shepard
Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

874 AUG 22 PM 4 30

418

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 23, 1974

Time: 9:00 a. m.

SUBJECT: Enrolled Bill S. 3919 - An Act to authorize the establishment of a Council on Wage and Price Stability

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Kathy Tindle - West Wing

OMB will follow with a Bill Report.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

Warren K. Hendriks
For the President

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To authorize the establishment of a Council on Wage and Price Stability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Council on Wage and Price Stability Act".

SEC. 2. (a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President.

(c) There shall be a Director of the Council who shall be appointed by the President. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

(e) The Director of the Council may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

SEC. 3. (a) The Council shall—

(1) review and analyze industrial capacity, demand, supply, and the effect of economic concentration and anticompetitive practices, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

SEC. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

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(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

S. 3919-3

SEC. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

SEC. 7. The authority granted by this Act terminates on August 15, 1975.

Carl Albert

Speaker of the House of Representatives.

James O. Eastland

Vice President of the United States, and

President of the Senate.

pro Tempore

THE WHITE HOUSE

RUSH

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 526

Date: August 22, 1974

Time: 4:00 p. m.

FOR ACTION: Kenneth Rush
L. William Seidman
Geoff Shepard
✓ Phil Buchen
Bill Timmons

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, August 23, 1974

Time: 9:00 a. m.

SUBJECT: Enrolled Bill S. 3919 - An Act to authorize the establishment of a Council on Wage and Price Stability

ACTION REQUESTED:

- | | |
|---|--|
| <input type="checkbox"/> For Necessary Action | <input checked="" type="checkbox"/> For Your Recommendations |
| <input type="checkbox"/> Prepare Agenda and Brief | <input type="checkbox"/> Draft Reply |
| <input type="checkbox"/> For Your Comments | <input type="checkbox"/> Draft Remarks |

REMARKS:

Please return to Kathy Tindle - West Wing

OMB will follow with a Bill Report

*No objection
L. C.*

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Warren K. Hendriks
For the President

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Monday, the twenty-first day of January, one thousand nine hundred and seventy-four

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(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

SEC. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

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S. 3919—3

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Carl Albert

Speaker of the House of Representatives.

James O. Eastland

Vice President of the United States and

President of the Senate.

pro Tempore

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 22 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3919 - Council on Wage and Price
Stability Act
Sponsor - Sen. Sparkman (D) Alabama

Last Day for Action

Purpose

Provides a monitoring organization in the Executive Office of the President to review the various factors and conditions which relate to supply and demand, price and wage movements, and productivity in the economy with the view to countering inflationary pressures.

Agency Recommendations

Office of Management and Budget: Approval (signing
statement attached)

Discussion

The enrolled bill is substantially the same as the bill transmitted by President Nixon on August 5, 1974, which you subsequently endorsed. It would as requested:

- authorize the President to establish, in the Executive Office of the President, a Council on Wage and Price Stability
- authorize him to designate the Chairman of the Council
- authorize him to appoint a Director of the Council to be responsible to the President and the Chairman
- require the Council to monitor economic developments, encourage and assist the various economic sectors to cooperate in actions to restrain inflation;

- authorize the Director to employ and compensate such staff and consultants as necessary to perform the functions of the Council, and to utilize staff and facilities of other public agencies
- provide for the Council to report periodically to the President and the Congress
- authorize appropriations of \$1,000,000 for fiscal year 1975

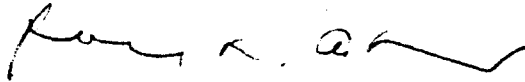
Provisions of S. 3919 which differ from the Administration's proposal are as follows:

- creates a "Council on Wage and Price Stability" rather than the proposed "Cost of Living Task Force"
- the Council would consist of eight members and four adviser-members, all appointed by the President, whereas the Administration's proposal specified seven officials to serve as members plus such other members as the President might designate
- the Council would be required specifically to analyze anticompetitive practices; the Administration's proposal did not specify this as a function of the Task Force
- the authority of the Council would terminate on August 15, 1975; the Administration's proposal specified no termination date.

We do not consider the above differences of great significance. Accordingly, we recommend your approval of S. 3919.

We have prepared the attached draft of a signing statement for your consideration. We believe that statement would be an appropriate vehicle for announcing your appointment of the Council members and designating the Chairman. As drafted, the statement would have you appoint those officials specified in the Administration's bill, with the addition of the Secretary of Commerce, who was inadvertently omitted.

The signing statement would also indicate that you will announce the appointment shortly of a Council Director. A list of candidates and recommendation for that appointment is being prepared separately.

A handwritten signature in black ink, appearing to be "F. A. A.", written in a cursive style.

Director

Enclosures

Statement by the President

This afternoon I have signed into law S.3919, the Council on Wage and Price Stability Act of 1974. As authorized by that Act I hereby establish the Council within the Executive Office of the President.

I am very pleased that the Congress has moved as quickly and cooperated so completely in enacting this necessary piece of legislation. With the continued help and assistance of the Congress, I am sure we shall move deliberately in the months ahead to come to grips with inflation and to take the actions which will bring it under control.

The Council will provide us one means of identifying and acting upon some of the causes of inflation. It will bring into focus the critical developments in industrial performance, wage and productivity performance, and the effect of Federal Government actions on inflation. It will be an aggressive catalyst for action and will play an important part in this Administration's determination to control inflation.

It will not be a stepping-stone to a return to mandatory wage and price controls. The cost of controls is too great as measured in major dislocations in markets and reductions in supplies of goods.

The establishment of this Council is one step in what must truly be a shared effort by all elements of our society in the months ahead. We in the Federal Government will do our part to identify major wage and price increases and their causes and to take every appropriate action to promote stability. We will hold to a firm policy of fiscal and monetary restraint. Industry and labor have their work cut out for them--to exercise every reasonable restraint in price and wage increases. Together these steps can move us steadily toward our goal.

I am announcing today the appointment of the following members of the Council: the Counselor to the President for Economic Policy, the Chairman of the Council of Economic Advisers, the Secretaries of Treasury, Agriculture, Commerce, and Labor, the Director of the Office of Management and Budget, and the Special Assistant for Consumer Affairs. I am also announcing the appointment of three adviser-members

to the Council: the Chairman of the Board of Governors of the Federal Reserve System, the Director of the Council on International Economic Policy, and the Chairman of the National Commission on Productivity and Work Quality. I will ask Kenneth Rush, Counselor for Economic Policy, to chair the Council and to convene its members immediately to develop an agenda for action.

I will announce shortly the appointment of a Director of the Council and will meet with the Council members to review with them the immediate steps to ensure that the new Council is successfully begun.

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To authorize the establishment of a Council on Wage and Price Stability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Council on Wage and Price Stability Act".

SEC. 2. (a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President.

(c) There shall be a Director of the Council who shall be appointed by the President. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

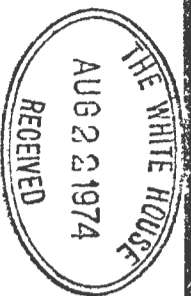
(e) The Director of the Council may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

SEC. 3. (a) The Council shall—

(1) review and analyze industrial capacity, demand, supply, and the effect of economic concentration and anticompetitive practices, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;



(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

SEC. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accord with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

S. 3919—3

SEC. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

SEC. 7. The authority granted by this Act terminates on August 15, 1975.

Carl Albert

Speaker of the House of Representatives.

James O. Eastland

Vice President of the United States and

President of the Senate. pro Tempore

COUNCIL OF WAGE AND PRICE STABILITY

—————
AUGUST 15, 1974.—Ordered to be printed
—————

Mr. SPARKMAN, from the Committee on Banking, Housing, and Urban Affairs, submitted the following

REPORT

[To accompany S. 3919]

The Committee on Banking, Housing, and Urban Affairs favorably report a committee bill (S. 3919), to authorize the establishment of a Council on Wage and Price Stability, and recommends that the bill do pass.

HISTORY OF LEGISLATION

Senator Sparkman and Senator Tower introduced an administration bill, S. 3894, on August 12, 1974. Hearings were held on the bill on August 15, 1974. The committee met in open markup on August 15, 1974, and voted to report a clean bill. The bill was reported by the committee by a voice vote.

GENERAL STATEMENT

In his address to the Congress and the Nation on August 12, 1974, the President urged the Congress to act quickly on a proposal which had been sent to the Congress by the administration to create a task force on inflation.

This bill is in response to that request by the President.

The Council of Wage and Price Stability which would be established under this bill would have power to monitor the economy generally. This bill would grant no mandatory or standby control authority over the economy. It would work with labor and management in an effort to improve the structure of collective bargaining and encourage price restraint. It would also be authorized to conduct public hearings to help publicize the inflationary problems and to focus attention on the need to increase productivity in all sectors of our economy.

The Council would be composed of members appointed by the President and would be established within the Executive Office of the President. The committee expects the membership to be composed of senior Government officials closely associated with economic matters. The President may also appoint four adviser members from outside the executive branch.

The committee believes that the President should be granted these additional tools in his effort to fight inflation.

The committee will be interested in and will follow closely the President's efforts under the authority granted by this bill.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title: Council on Wage and Price Stability Act of 1974.

Section 2. Council on Wage and Price Stability—The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability. The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President. The Director and Deputy Director shall be appointed by the President. The Director may employ and fix compensation of such officers and employees as are necessary to perform the functions of the Council. The Director may also employ experts, expert witnesses, and consultants in accordance with section 3109 of title 5 of the U.S. Code.

Section 3. Duties of Task Force—

(1) Review and analyze industrial capacity, demand, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) Work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate Government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) Improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) Conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) Focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) Monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) Review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

Additionally, it is stated that nothing in this act authorizes the continuation, imposition, or reimposition of any mandatory economic controls.

Section 4. Treatment of Confidentiality and Disclosure of Information—The Council shall have access to data or information pertaining to the economy or any sector collected or generated by any department or agency of the Federal Government.

To insure the confidentiality of information—

(1) The Freedom of Information Act is fully applicable to any information obtained from the private sector by the Council.

(2) The disclosure of information obtained from Federal, State, or local agencies and departments is prohibited unless such disclosure is in accord with the Freedom of Information Act and the applicable rules of practice and procedure of such agency or department.

(3) The disclosure of confidential information by the Council or Council staff is a criminal offense.

(4) The disclosure of tax returns and related information is prohibited.

Section 5. Council Reports—The Council shall report to the President, and through him to Congress, from time to time, concerning its activities, findings, and recommendations.

Section 6. Authorization of Appropriations—There are authorized to be appropriated such sums, not to exceed \$1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this act.

Section 7. Expiration—The authority under this act expires at midnight, June 30, 1976.



ANTI-INFLATION ACT OF 1974

AUGUST 19, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. PATMAN, from the Committee on Banking and Currency,
submitted the following

REPORT

together with

SEPARATE, INDIVIDUAL DISSENTING, MINORITY, AND SUPPLEMENTAL VIEWS

[To accompany H.R. 16425]

The Committee on Banking and Currency, to whom was referred the bill (H.R. 16425) to provide for the monitoring of the economy, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND BACKGROUND OF THE BILL

President Nixon, in a message to the Congress on August 2, 1974, proposed the establishment of a "Cost of Living Task Force." The need for such a body was explained in this way: "While I continue to oppose mandatory wage and price controls, it is essential that wages and prices be carefully watched, that labor and management be constantly aware of public concern in this area, and that Government have the information it needs to persuade labor and management to do their duty in the effort to reduce inflation."

When President Ford assumed office one of the first actions he took on the economy was to renew and adopt the former President's policy to place the government in a watchdog posture in respect—those economic activities which might cause or exacerbate wide-spread inflationary pressures. On August 12, President Ford in his message to the Congress said, ". . . the state of our economy is not so good."

Focusing on the public apprehension of the economy, President Ford characterized inflation as "the unanimous concern of Americans."

Although no promise of an immediate reduction in spiraling prices was made, the President indicated his willingness to begin an effort to bring about stability. "For a start," he said, "before your Labor Day recess Congress should reactivate the Cost of Living Council through passage of a clean bill, without reimposing controls that will let us monitor wages and prices to expose abuses."

The next day, your Committee took steps to comply with the President's request. Hearings were scheduled and held on August 14 and 15. Roy L. Ash, Director, Office of Management and Budget, testified for the Administration. In his testimony he, "reemphasized inflation as our number one domestic problem and the need to create a Cost of Living agency within the Executive Office of the President." "We believe," he said, "that such an organization would provide an essential weapon for our waging a successful war on inflation."

Your committee has attempted to comply with this request as fully as possible and without undue delay. However, it should be understood by everyone—the American people, this Congress and the Administration, that this legislation represents a limited approach and the creation of the Task Force in no way implies a creation of power of enforcement of power to impose controls over wages, prices, or interest rates. This is the approach the President has advocated and he was careful to distinguish between simple monitoring the economy and the imposition of mandatory controls on the general economy.

Mr. Ash explained the function of the task force in this way, "it is important to emphasize that this Cost of Living Task Force is not a move toward reinstating such controls [referring to mandatory wage and price controls]. As a matter of fact the task force instead would have as its principal responsibility the job of ensuring that through careful vigilance we never have to return to the disrupting effects of wage and price controls. Thus, the approach now being proposed by the Administration is to give the government the capability to "work cooperatively with the private sector to identify areas that contribute to inflation."

In his testimony Mr. Ash identified the roles and responsibilities of the Cost of Living Task Force:

- (1) review and analyze industrial capacity, supply and demand in the critical sectors of the economy;
- (2) work with labor, and management to improve the structure of collective bargaining;
- (3) improve the quality of wage and price data in order to better encourage restraint;
- (4) conduct public hearings to better educate all sectors of our economy about inflationary problems;
- (5) continue to focus attention on the need to increase productivity in both the public and private sector;
- (6) monitor the economy by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports and exports.

The task force would carry out these important responsibilities by working closely with industry and labor groups, appropriate governmental agencies and the Congress. This unit would be small and flexible. It would be located within the Executive Office of the President, with appropriations not to exceed \$1 million.

Your Committee has made every effort to fashion a bill which will give the President the ability to do precisely that.

COST OF CARRYING OUT THE BILL AND COMMITTEE VOTE

In compliance with clause 7 of rule XIII of the Rules of the House of Representatives, \$1 million is authorized to be appropriated in order to carry out the provisions of this bill.

In compliance with clause 27 of rule XI of the Rules of the House of Representatives, the following statement is made relative to the record vote of the motion to report a bill. A total of 27 votes was cast for reporting and a total of 7 votes was cast against reporting the bill.

SEPARATE VIEWS OF CONGRESSWOMAN LEONOR K. SULLIVAN

It has been constantly mentioned in the Committee, in the consideration of this bill, that it probably cannot do any harm and possibly may do some good. But in the face of a further surge of inflation based on potential crop failures, soaring wholesale prices, shortages of some basic materials and other factors, we have a right to wonder: is this bill all there is in the Administration's program to erect a barrier to cost of living increases?

President Ford has been in office so short a time that he certainly deserves an opportunity to fashion a more effective policy against inflation than the one he inherited from his predecessor. But the testimony by Director Roy Ash of the Office of Management and Budget, as the Ford Administration's spokesman before this Committee during the hearing on this bill, indicated that the new Administration has closed its mind to any step which implies even the possible need for direct controls. This reflects a dangerous willingness by the new Administration to depend too heavily on the weak reed of "jawboning" by a Cost of Living Task Force as its only defense against price and wage escalation.

Until President Ford replaces those holdovers from the Nixon Administration who counseled the disastrous economic policies which led to today's horrendous inflation—and who still continue to defend vigorously those bankrupt policies—Congress is certainly not going to consider volunteering to the President the kind of powers he really needs. Price and wage controls were discredited in the period after January 11, 1973, when Phase III was instituted, but they were discredited only by the manner in which they were used.

They were deliberately sabotaged by administrators who were not in sympathy with the effective use of those broad powers. Raw material prices were never controlled; interest rates were never regulated; price restrictions were lax while wage restrictions were tight.

In passing this rather innocuous bill for a Cost of Living Task Force (a toothless agency which the President, under existing law, could establish any time he so desired) the Congress must nevertheless make clear that we consider the battle against inflation important enough of employ *all necessary tools* to restore stability to our economy. Price, wage, rent, salary and interest rate controls are essential elements of an effective anti-inflation program at any time when inflation is destroying our stability, as it is right now. President Ford should not close his mind, as the President's holdover economic experts from the previous Administration have done, to the need for restoration of the powers of the Economic Stabilization Act, and to the need to use the Credit Control Act of 1969.

However, until President Ford brings into his Administration people we can trust to use direct economic control powers effectively and fairly, there will be no disposition in Congress to enact powers again.

LEONOR K. SULLIVAN.

DISSENTING VIEWS OF HENRY B. GONZALEZ

Stated simply, this bill is intended to give the appearance of action against inflation, while in fact providing no action at all. It authorizes the President to appoint a committee which he undoubtedly could create on his own authority, and gives him a million dollars to do that which he could do anyway. My view is that the President does not need the authority conferred in this bill, and that he could find the authorized funds elsewhere.

Surely nothing is more pressing than the problem of inflation. But this does not mean that Congress ought to approve yet another sham action. We have been through so many games with inflation that I begin to wonder if we are not like the Bourbon kings of old—capable of learning nothing, incapable of forgetting anything.

Experience with the Economic Stabilization Act should have convinced even the most sanguine of us that it is a mistake to create an agency that has no real accountability to Congress. But this bill creates an agency that reports to the President, who then reports what he likes to Congress. In other words, if the task force comes up with reports and recommendations the President does not like, Congress will never receive them.

Inflation is an urgent problem, more so now than it was five years ago. Yet this bill does not demand that the task force it creates will come up with any comprehensive attack against inflation. The task force need not come up with anything substantive at all—merely quarterly reports of such a vague nature that they need contain nothing but sermons and slogans.

We need to learn that a real economic program is needed for this country. We need to forget about setting up a task force which, like this one, is intended merely to create an illusion of action.

Some would say that the President needs this bill in order to effectively “jawbone” against inflationary forces. But this bill contains no authority to support that moral suasion. The task force creates no moral authority that does not already exist; surely the President knows that, and knows too that he may need more than a jawbone to fight against inflation.

I am concerned that the task force may simply become a trumpet against the efforts of working people to regain some of their lost purchasing power, while doing nothing to dissuade industrial giants from continuing to steadily increase their prices and profits. If this should happen, as developed under recent and disastrous controls program, the task force would merely become another discredited political subcommittee. The last thing the country can afford is another official agency established to trumpet one political philosophy or another. We need a sound program.

My friends in the minority party have in these last few years hooted at the kind of “jawboning” envisioned in this bill, but now they em-

brace it fervently. Likewise, they opposed wage and price controls, only to change their minds when their party switched lines. I admire this kind of moral and political flexibility, but cannot find in my own backbone that kind of malleability.

I did not believe that wage and price controls would work, because I did not believe that they would be equitably administered—and I was right. I do not believe that this proposed task force would do anything that could not otherwise be done. And I do not believe that Congress, for all its desires to cooperate with a new President, should acquiesce in this illusory action.

Certainly Congress ought to act against inflation. We ought to take some real action. If we want to do that, we should create a task force that reports directly to us, once each month, and which has the specific job of coming forward with a comprehensive economic program. We should have learned long ago, that Congress ought to show some responsibility in the management of the nation's economic problems. This means much more than handing the President a blank check after some crisis. Yet, here we are again, after a great crisis, signing yet another blank check to the President. This bill does not reflect Congressional responsibility, and it is not taking responsible action; it is merely avoiding, once again, the task of creating a national economic policy that is fair, that assures prosperity, and above all, one that works to contain inflation and solve our pressing social and economic problems.

HENRY B. GONZALEZ.

DISSENTING VIEWS OF CONGRESSMAN PARREN J. MITCHELL

I voted against Bill to provide for the monitoring of the economy because the battle against inflation will not be won by monitoring. It can only be won if we, the Members of Congress, take those positive actions which are demanded if we really mean to curb rampant inflation.

In normal times, I would be in strong opposition to any form of mandatory controls. However, these are not normal times. The President has declared inflation to be the number one enemy in America. If that is true, and I am inclined to agree it is true, then we must utilize the formidable weapon of mandatory controls.

There has been a great deal of talk to the effect that mandatory controls cannot work and have never worked. Controls did work with maximum effectiveness during World War II.

Our last effort at mandatory controls was working fairly well during Phase I and Phase II, however, that effort collapsed when favoritism, partisan considerations and political cronyism began to dominate the controls program during Phase III.

The Bill passed by the Banking and Currency Committee merely provides for high level jawboning to fight inflation. The so-called Anti-Inflation Act of 1974 would create a Cost of Living Task Force, with no power, no clout, and no potency. To pass this Task Force on to the American people as a significant weapon in our arsenal against inflation is but to deceive the American people. For far too many recent years we have been deceived. Let us really begin a fight against inflation. Let us not offer public relations palliatives which will have absolutely no effect on the spiraling cost of bread and fuel and rents.

PARREN J. MITCHELL.

(9)

DISSENTING VIEWS OF THE HONORABLE WALTER E. FAUNTROY

The bill which is before the House will establish a Cost of Living Task Force that lacks any power of subpoena, or power of recommendation for controls if it should be determined that is the direction in which we must travel in the next several months.

While the Congress should be supportive of the President's determination to have legislation that can be moved quickly through the both Houses that will provide the tools which can analyze in greater detail and specificity the problems of our economy, the legislation need not be so bland as to be totally useless.

I am, frankly, appalled at the Committee's determination to go no further than the bill which is presented. The problems of our economy require that we work in a partnership with the President. I do not interpret the words of President Ford to mean that the partnership is one in which we must surrender our own independent judgment to those who, in the past, evidenced no vision or understanding of the needs of this Nation.

If we are determined to make this new partnership with Congress function, we must scrutinize the bills of the Administration and assure that they have the tools which are necessary. President Ford, I am sure, expected no less of us.

I am fully cognizant of the fact that OMB Director Roy Ash opposed any amendment which might strengthen the hands of the Administration or which may presage the return to controls. I share his concern over the economic consequences that will flow from the threat of reimposed controls; but, I fail to understand how a subpoena power can presage controls or how the power to recommend controls that carries with it a plan for de-control can be more disruptive than the wild rumors that go on in our capital city.

We have analyzed the economy until this paralysis of analysis is more dangerous to the working man and business than any action which we may take. I simply do not believe that this kind of task force is the answer which we want to accept as being representative of a solution for the very serious problems of our economy.

Conversations with Mr. Ash indicated that except for the single aspect of funding, the authority contained in the bill was unnecessary. Thus, it would stand to reason that unless we were to do something in the legislation that could not already be done, the bill is superfluous as a matter of law.

I have not decided whether or not I will attempt to strengthen the bill on the floor; but, I can assure you that unless we act more responsibly than we did, any further economic failure will be placed squarely upon the doorstep of the Congress. We know that the economic policies of the prior Administration were a dismal failure; we know that the same economic advisors are still advising at this time. With that knowledge, I fail to comprehend how we can abdicate our authority in the hour of our country's greatest need.

WALTER E. FAUNTROY.

MINORITY VIEWS OF HON. FORTNEY H. (PETE)
STARK, JR.

I would have liked to support the President in his first attempt at fighting inflation. This bill, however, will be virtually powerless in providing for effective action.

The bill has no teeth. It is no more than a statement of intent. While I commend the President's attempts—at this early time—to move quickly to control inflation, I cannot support legislation that will give the American people the mistaken impression that their government is taking decisive action.

It must be clear that the proposed Cost of Living Task Force will have none of the statutory powers needed to control prices and wages. It will not even have subpoena power to examine data on the worst offenders who will not come forward voluntarily with their records.

The Committee has acted forthrightly on this matter, and I am pleased at the spirit of cooperation emanating from the new Executive. I hope that this same spirit will prevail when we suggest strong action needed to bring inflation really under control.

PETE STARK.

SUPPLEMENTAL VIEWS OF CONGRESSMAN JOHN H. ROUSSELOT

H.R. 16425, though labeled the "Anti-Inflation Act of 1974," can neither halt nor significantly reduce inflation. The economic elements and variables which the "Cost of Living Task Force" proposes to monitor, in order to demonstrate the Government's "continuing concern with the rate of inflation . . .", are not the source of the problem.

The primary cause of inflation is the Government's irresponsible fiscal and monetary policies. Unrestrained Federal spending creates budgetary deficits. The Federal Reserve monetizes these deficits, resulting, in the long run, in extremely high interest rates on Treasury borrowing, which American taxpayers must pay. This fact is implicit in the "findings and purposes" of the bill, which state that the "Federal Government . . . must place primary reliance on budgetary and monetary policy, as well as international trade and exchange rate policy, to constrain domestic inflation."

If the Federal Government wants to utilize monitoring as a weapon against inflation, it should monitor *itself*, including the operations of the Federal Reserve. Moreover, with the combined resources of the Council of Economic Advisers, as well as the Treasury, Commerce, and Labor Departments, and the Office of Management and Budget at his disposal, the President is already well equipped to conduct whatever monitoring needs to be done.

To establish yet another bureaucracy to monitor the market economy will at best be ineffective, since it will not act as a restraint upon wage increases which are not justified by increased productivity or upon price increases which are not justified by greater acceptance of a product in the marketplace. At its worst, monitoring could be counterproductive. It could cause sharp increases in wage demands and list prices out of fear that mandatory controls may be reimposed. In addition, by distracting attention from the real causes of inflation, monitoring will postpone the time when effective fiscal and monetary action is finally taken.

Only last April, the full Committee on Banking and Currency voted 21-10 to table all bills calling for extension of the Economic Stabilization Act, including proposals similar to H.R. 16425, as reported by this same Committee. Why this change now? It is because we have a new President and we are anxious to support him. We *are* anxious to support the President, but this does not make an idea any better than it was when it was rejected four months ago.

What is needed now, and what was needed last April, as well as three years ago when wage and price controls were first imposed, is for the Federal Government to exercise effective fiscal and monetary restraint. In his address to a joint session of Congress on August 12, 1974, President Ford recognized the need for such restraint and pledged to work "to bring the federal budget into balance by fiscal 1976." Only this can stop inflation—let us not postpone it any longer.

JOHN H. ROUSSELOT.

INDIVIDUAL VIEWS ON H.R. 16425

This bill, self-defined as the "Anti-Inflation Act of 1974," is sweeping in its mandate to superintend many of the aspects of our economy which contribute to rising prices. Truth in advertising laws, however, require me to say that an "Anti-Inflation Act" it is *not*.

It is, as I testified in Committee, a "toothless tiger." It specifically states "nothing in this act authorizes the imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, interest rates, or any similar transfers." Director of OMB, Roy Ash, in his testimony before the Committee stated emphatically that it was not his intention nor that of the Administration to reimpose upon us disruptive wage and price controls. He pointed out further that they had, in fact, exacerbated inflation in this country through the distortions they created.

By 1973, even George Meany and the National Association of Manufacturers had come to agree on this point. Nevertheless, both Meany and the NAM as well as Dr. Arthur Burns and then Secretary of the Treasury John Connolly were of one mind in the summer of 1971 in calling for such controls presumably to stop inflation.

At that time, I inserted in the Record a rather comprehensive analysis of controls under Benito Mussolini, Adolf Hitler, and Juan Peron, as well as our own experiences during World War II and the Korean War which demonstrated conclusively that wage and price controls only aggravate inflationary problems since they attack symptoms and not causes.

In his testimony before the Committee, Mr. Ash acknowledged that one of the major causes of inflation (I would say the overwhelming cause of inflation) is deficit spending by the Congress of the United States and monetization of that debt by the Federal Reserve System. I find nothing in the functions of the Task Force to be created under this bill that draws attention to this fact.

To be sure, there are additional factors contributing to rising prices. However, most of these are beyond the purview or control of the proposed Cost of Living Task Force. One of these is the heightened demand for scarce resources, the result of rising expectations, greater world affluence, and population growth worldwide. We do not need a Task Force to inform us of this elemental fact.

A second cause is the arbitrary price increase inflicted on the industrialized nations by the OPEC countries when they dramatically increased the price of oil. Sufficient attention has been already devoted to this cause of escalating prices by the media.

A third major cause is increasing production costs imposed on American businesses through overregulation by Congress of the business community which has produced mountainous paper-pushing, form-filling burdens. Congress has also, in an excess of zeal, imposed environmental standards on the business community which have unfor-

unately had the effect of significantly increasing production costs while simultaneously imposing greatly increased demand for scarce energy resources.

Minimum wage laws have also contributed to pressure on wage demands all the way up the line. Nothing in the Cost of Living Task Force mandate calls attention to these facts.

The one area where the Task Force might focus public attention is on wage increases that exceed productivity, but again one can find these facts in Department of Labor and Department of Commerce statistics and the business community has been bemoaning this problem for several years.

Evans and Novak in their Washington Post column of August 15, indicated that it is the desire of the new Administration to "deroyalize" itself by cutting back on personnel at the White House and by placing greater reliance on the Cabinet. Inasmuch as this Task Force is to be comprised of, among others, the Counselor to the President for Economic Affairs, the Chairman of the Council of Economic Advisers, the Secretary of the Treasury, the Secretary of Agriculture, the Secretary of Commerce, the Secretary of Labor, the Director of the Office of Management and Budget, the Special Assistant to the President for Consumer Affairs and the Chairman of the National Commission on Productivity and Work Quality, it would seem that the President has access to all the expertise necessary to perform the duties of this new Task Force without creating a new body at an expense of \$1 million and adding a new director at level 4 of the Executive Schedule, a deputy director at level 5 of the Executive Schedule, five new positions in GS16, GS17 and GS18 as well as "such officers and employees, including attorneys, as are necessary to perform the functions of the Task Force."

With such an array of talent which is already available coupled with the moral authority of the President, it would seem we already have an effective means of "jawboning" to secure restraint with respect to excessive wage or price determinations. The best that can be hoped for in this area is a mutual spirit of compromise and cooperation on the part of all Americans to help cope with the pressing problems of rising prices. But what worries me most about the prospects of recreating a Cost of Living Task Force is that if it turns out to be a pussy-cat in dealing with the problems, there will soon arise a noisy chorus from the economically illiterate and the politically demagogic pandering to the national desire to find a convenient scapegoat for the complex economic woes of this nation by putting teeth into this tiger. At that point, we will once again be compelled to relearn the lessons of history.

This Cost of Living Task Force is either a potential menace or a charade. In either case, it is wrong.

PHILIP M. CRANE.



Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To authorize the establishment of a Council on Wage and Price Stability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Council on Wage and Price Stability Act".

SEC. 2. (a) The President is authorized to establish, within the Executive Office of the President, a Council on Wage and Price Stability (hereinafter referred to as the "Council").

(b) The Council shall consist of eight members appointed by the President and four adviser-members also appointed by the President. The Chairman of the Council shall be designated by the President.

(c) There shall be a Director of the Council who shall be appointed by the President. The Director shall be compensated at the rate prescribed for level IV of the Executive Schedule by section 5315 of title 5, United States Code. The Director of the Council shall perform such functions as the President or the Chairman of the Council may prescribe. The Deputy Director shall perform such functions as the Chairman or the Director of the Council may prescribe.

(d) The Director of the Council may employ and fix the compensation of such officers and employees, including attorneys, as are necessary to perform the functions of the Council at rates not to exceed the highest rate for grade 15 of the General Schedule under section 5332 of title 5, United States Code. Except that the Director, with the approval of the Chairman may, without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service, appoint and fix the compensation of not to exceed five positions at the rates provided for grades 16, 17, and 18 of such General Schedule, to carry out the functions of the Council.

(e) The Director of the Council may employ experts, expert witnesses, and consultants in accordance with the provisions of section 3109 of title 5, United States Code, and compensate them at rates not in excess of the maximum daily rate prescribed for grade 18 of the General Schedule under section 5332 of title 5, United States Code.

(f) The Director of the Council may, with their consent, utilize the services, personnel, equipment, and facilities of Federal, State, regional, and local public agencies and instrumentalities, with or without reimbursement therefor, and may transfer funds made available pursuant to this Act to Federal, State, regional, and local public agencies and instrumentalities as reimbursement for utilization of such services, personnel, equipment, and facilities.

SEC. 3. (a) The Council shall—

(1) review and analyze industrial capacity, demand, supply, and the effect of economic concentration and anticompetitive practices, and supply in various sectors of the economy, working with the industrial groups concerned and appropriate governmental agencies to encourage price restraint;

(2) work with labor and management in the various sectors of the economy having special economic problems, as well as with appropriate government agencies, to improve the structure of collective bargaining and the performance of those sectors in restraining prices;

(3) improve wage and price data bases for the various sectors of the economy to improve collective bargaining and encourage price restraint;

(4) conduct public hearings necessary to provide for public scrutiny of inflationary problems in various sectors of the economy;

(5) focus attention on the need to increase productivity in both the public and private sectors of the economy;

(6) monitor the economy as a whole by acquiring as appropriate, reports on wages, costs, productivity, prices, sales, profits, imports, and exports; and

(7) review and appraise the various programs, policies, and activities of the departments and agencies of the United States for the purpose of determining the extent to which those programs and activities are contributing to inflation.

(b) Nothing in this Act, (1) authorizes the continuation, imposition, or reimposition of any mandatory economic controls with respect to prices, rents, wages, salaries, corporate dividends, or any similar transfers, or (2) affects the authority conferred by the Emergency Petroleum Allocation Act of 1973.

SEC. 4. (a) Any department or agency of the United States which collects, generates, or otherwise prepares or maintains data or information pertaining to the economy or any sector of the economy shall, upon the request of the Chairman of the Council, make that data or information available to the Council.

(b) Disclosure of information obtained by the Council from sources other than Federal, State, or local government agencies and departments shall be in accordance with the provisions of section 552 of title 5, United States Code.

(c) Disclosure by the Council of information obtained from a Federal, State, or local agency or department must be in accord with section 552 of title 5, United States Code, and all the applicable rules of practice and procedure of the agency or department from which the information was obtained.

(d) Disclosure by a member or any employee of the Council of the confidential information as defined in section 1905 of title 18, United States Code, shall be a violation of the criminal code as stated therein.

(e) Consistent with the provisions of section 7213 of the Internal Revenue Code of 1954, nothing in this Act shall be construed as providing for or authorizing any Federal agency to divulge or to make known to the Council the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed solely in any income return, or to permit any income tax return filed pursuant to the provisions of the Internal Revenue Code of 1954, thereof, to be seen or examined by the Council.

S. 3919—3

Sec. 5. The Council shall report to the President, and through him to the Congress, from time to time, concerning its activities, findings, and recommendations with respect to the containment of inflation and the maintenance of a vigorous and prosperous peacetime economy.

Sec. 6. There is hereby authorized to be appropriated not to exceed \$1,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this Act.

Sec. 7. The authority granted by this Act terminates on August 15, 1975.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

AUGUST 24, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET
COUNCIL ON WAGE AND PRICE STABILITY ACT (S. 3919)

The President has today signed into law the Council on Wage and Price Stability Act, which provides a monitoring organization in the Executive Office of the President to review the various factors and conditions which relate to supply and demand, price and wage movements, and productivity in the economy with the view to countering inflationary pressures.

BACKGROUND

On August 12, 1974, the President asked the Congress to promptly enact legislation authorizing a Cost of Living Agency within the Executive Office of the President, to monitor wages and prices throughout the economy and recommend appropriate actions to counter inflation. S. 3919 provides this requested authority.

MAJOR PROVISIONS

This legislation authorizes:

- the President to establish, within the Executive Office of the President, a Council on Wage and Price Stability consisting of eight members and four adviser-members appointed by the President. The President will designate one of the eight members to be the Chairman and one of the Council staff will be designated as Director.
- the Director of the Council to employ and compensate staff members and consultants as necessary to perform the duties of the Council;
- the Council to monitor the economy as a whole, work with labor and management to improve the structure of collective bargaining and encourage price restraint, focus attention on the need for increased productivity, conduct public hearings to help publicize inflationary problems, and review the Government's policies and programs to determine their effect upon inflation;
- the Council to utilize the services, personnel, and facilities of public agencies at all levels, and to obtain economic data or information from other Federal agencies (with subsequent disclosure of such information by the Council as limited by existing law); and
- appropriations not to exceed \$1,000,000 for fiscal year 1975 to carry out the purposes of the Act.

The legislation additionally:

- does not authorize mandatory or standby controls over wages, salaries,

(MORE)

prices, rents, and corporate dividends; and

- requires the Council to report to the President and the Congress from time to time concerning its activities, findings, and recommendations.

EFFECTIVE DATES

The legislation becomes effective on this date and lapses on August 15, 1975.

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OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON SIGNING COUNCIL ON WAGE AND
PRICE STABILITY ACT OF 1974

THE CABINET ROOM

11:07 A.M. EDT

Thank you very much, Mr. Speaker, for coming, along with Mr. Rhodes and Mr. Arends and members of the White House staff and the Cabinet and others.

I appreciate your coming down here on a Saturday morning for this signing which I think probably best indicates the cooperation that exists before the Congress and the White House.

I was just noticing that less than two weeks ago, Mr. Speaker, I asked for the help of the Congress in one important piece of legislation, namely, the one I am about to sign, and within that short span of time the House and Senate responded, responded, I think, in a very constructive way.

Not that this particular piece of legislation is going to be an instant answer or an immediate panacea, but it is important. It was so indicated by the Republican Administration and concurred in by the Democratic Leadership and the Democratic Congress. I think it is indicative of the recognition that we have to work together not only in this instance, but in others, in meeting the problem of inflation which plagues us, which is our public enemy number one.

Now we have some other things that have to be done. I have said very emphatically, and I think it has been generally agreed to, that this legislation is not the forerunner of any wage and price controls. This is a monitoring piece of legislation to give guidance in very broad terms to management and labor so they don't take advantage of a free economy in this critical situation.

I am not going to ask for wage and price controls and we generally agreed last week that the Congress in 1974 would not respond to any wage and price control recommendation.

MORE

We are going to do some other things, and I think all of this ought to be encouraging to the American people and to our friends around the world. We are going to hold the line on spending. The target, of course, is a figure in this fiscal year of under \$300 billion. We can do it. We are going to do it. And that ought to be reassuring, I think, to the American people.

There will be some other things that will undoubtedly come out of the economic summit which is being put together by cooperation with the Congress and with the White House.

This battle has to be won and it will be won and the cooperation I have gotten from not only the Congress but from some in industry, and I hope from those in labor, should absolutely reassure the American people that inflation can be licked here as well as abroad.

So with those remarks I would like to sign this bill which I appreciate, and I think the American people will be glad to have on the statute book.

Thank you very much. I appreciate everybody being here, and now we are going back to work without any further ado.

Thank you very much.

END

(AT 11:14 A.M. EDT)

EMBARGOED FOR RELEASE
UNTIL 11:00 A. M. , EDT

AUGUST 24, 1974

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

One of my First acts as President was to ask the Congress to reactivate a wage and price monitoring agency before its Labor Day recess. Today -- less than two weeks later -- I am gratified to sign the legislation authorizing me to create such a Council and I hereby announce its creation without further delay.

It is certainly encouraging to me, as it must be to all Americans, to know that the Government can act so swiftly on the inflation front. Prompt and aggressive action against inflation is precisely what America needs, and that is the kind of leadership that must be provided by the Federal Government.

This new Council on Wage and Price Stability will provide us with one means of identifying and exposing some of the causes of inflation. It will bring into sharper focus the critical developments of industrial performance, wage and productivity performance, and the effect on inflation of actions taken by the Federal Government.

I must re-emphasize that the Council should not be a steppingstone back to mandatory wage and price controls. We have learned from experience that in today's economy, controls lead to disruptions and new troubles.

It would also be unrealistic to expect this Council to bring any immediate relief from inflation. Establishment of the Council is but one step along a difficult road that all of us must travel in the months ahead. We in the Federal Government must hold to a firm, responsible policy of fiscal and monetary restraint. Industry and labor will have their work cut out for them in exercising every responsible restraint in price and wage increases. We face an uphill road, and we will make it through only if we all pull together.

I will announce shortly the membership of the Council so that it can convene promptly and develop an agenda for action in the immediate future.

Once again, I commend the Members of Congress for their quick and responsible action in helping to establish this Council.

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August 22, 1974

Dear Mr. Director:

The following bill was received at the White House on August 22nd:

S. 3919

Please let the President have reports and recommendations as to the approval of this bill as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.