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MR. SPEAKER:

President Nixon's fiscal 1973 budget message outlines a balanced, positive and constructive program to heal the economic wounds of war and deal with this nation's pressing domestic problems. Although it is a deficit budget, it is a deficit budget aimed at restoring our economy to full employment and maximizing the output of our industrial resources. That is what the American people want.

I think it is especially gratifying to learn that the American public will be saved some $22 billion due to personal income tax reductions initiated by the President. There are those who only talk about returning power to the people. The evidence shows that President Nixon is doing something about it -- by seeking to restore to the American people the control over their purse that they should have, the control they should never have lost.

We can expect to hear the usual cries of derision from the President's opponents. Yet it is they who brought this nation to the brink of economic collapse. The American people know who is ending the runaway inflation of the Johnson Administration and replacing the phony prosperity of war with the permanent prosperity of peace.

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CONGRESSMAN
GERALD R. FORD
HOUSE REPUBLICAN LEADER

--FOR IMMEDIATE RELEASE--
January 24, 1972


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It is important that there be as much labor representation as possible on the Pay Board. I commend Teamsters President Frank E. Fitzsimmons for deciding to stay on the board and I hope that IAM President Leonard Woodcock will remain. I also commend the President for continuing the Pay Board with proportional business and labor membership.

It is in organized labor's best interests to be represented on the Pay Board since the board is, after all, engaged in making decisions affecting the rank-and-file worker. It is far better for labor leaders to participate in those decisions than to stand on the sidelines and then seek to sabotage the decisions after they have been made.

Fighting inflation is every American's responsibility. Those who abdicate that responsibility are hurting the Nation, those they represent and themselves.

###

The President has spoken out at just the right time and has taken just the right tone in appealing now for Congress to exercise spending restraint.

I personally take heart from the fact that the House last week turned down the $5 billion pork barrel bill thrust upon us by a House Banking and Currency Committee majority. Rejection of that bill was a victory for fiscal responsibility and the taxpayer and a defeat for politics as usual.

I join with the President in urging my colleagues in the Congress to hold expenditures this fiscal year to the level proposed in the budget.

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Mr. Speaker, of late there has been speculation as to when price and wage controls would end. I submit that such speculation is premature. It will take some time before our control objectives are fully realized.

However, let me emphasize that our price and wage controls are working despite the fact they are limited in nature and that enforcement does not require a huge bureaucracy.

I say they are working because the facts show that the rate of inflation has greatly slackened during the nearly 12 months that controls have been in effect.

We have experienced a decline of about 30 per cent in the rate of increase in consumer prices when we compare the control period with the period in 1971 before the freeze. The rate of increase of consumer prices has declined from 4.7 per cent to 2.2 per cent from the 2nd quarter of 1971 to the 2nd quarter of 1972. At the same time we have seen a rapid rise in production, employment and productivity. I believe price and wage controls contributed to that marked improvement in the economy.

Most importantly, real spendable weekly wages began to rise in 1971, and the rate of rise has quickened over the past four quarters. For the average production worker in the private nonfarm economy, the increase over a year ago is 4.1 per cent. That compares with an average annual increase of 1.3 per cent from 1960 to 1968.

Mr. Speaker, the Administration's system of price and wage controls is working—and as a result the financial well-being of the American working man is much improved.

#####

I have today reintroduced with many additional cosponsors the spending ceiling bill originally tossed in the hopper on July 27 by Rep. Frank Bow, senior Republican on the House Appropriations Committee. Names on the bill now number 130.

The fact that 130 members of the House have cosponsored this legislation indicates strong support for an absolute limit of $250 billion on fiscal 1973 spending. The President has made a strong case for such a spending ceiling. The Congress must demonstrate a sense of responsibility by endorsing it.

It is understandable that Congress, working on the budget in bits and pieces, invariably winds up with a total spending chart substantially exceeding that which the country can afford.

The best answer to such excessive spending is to clap a lid on total spending in any fiscal year in which Federal outlays threaten the fiscal soundness of the Nation. The best way to keep the lid on is to hand the President the responsibility for fitting spending under the ceiling.

The issue is especially urgent in this fiscal year when burgeoning Federal spending poses the distinct danger of sharply renewed inflation, an upsurge in consumer prices.

The entire Republican leadership of the House is behind the $250 billion spending ceiling. The necessity for the ceiling is dramatized by the fact that appropriations and legislative action by the House and Senate already would boost spending $15.8 billion over the President's budget requests.

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Last night Sen. George McGovern returned to the Senate from the Presidential campaign trail to vote against a $250 billion limitation on fiscal 1973 spending.

Last week Sen. McGovern stayed away from the Senate while northern liberal Democrats filibustered to death President Nixon's bill to lay down guidelines for the courts and make busing for racial balance a last resort device, restricted to busing a pupil no farther than the school second nearest a student's home. At the time that McGovern stayed away from the Senate debate on busing, he declared in Detroit "there is not one thing that either Nixon or I can do to stop those buses from rolling."

George McGovern refuses to put a lid on Federal spending, and George McGovern refuses to do anything to prevent forced busing to achieve racial balance.

These two actions make it unmistakably clear that George McGovern would be a pro-busing President and a fiscally irresponsible President if by some horrendous mischance he were elected on Nov. 7.

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I am pleased that the President has acted to move the country beyond Phase II of the price and wage control program to a new type of program which is self-administering and based on voluntary compliance. His timing is excellent, given the progress we have made thus far in achieving economic stability and proper economic growth.

I think the new program has a good chance of success, considering the willingness of both labor and management to participate fully in the implementation and operation of Phase III. The support expressed by both labor and management indicates that both groups believe the plan to be equitable.

In my opinion, Phase III substantially accommodates the views advanced by labor leaders during the consultation process. I understand they have expressed their willingness to comply voluntarily with an appropriate type of program.

I would emphasize that the new price and wage control system is directed at plugging up holes in the existing program, since it will include stepped-up efforts to control food prices and medical costs.

The special emphasis that Phase III places on moderating food price behavior should be good news to the housewife. In addition to the maintenance of mandatory controls on food processors and retailers, a new Cost of Living Council Committee on Food has been created. The Committee on Food will work closely with the Department of Agriculture to ensure that specific decisions as well as reforms in the farm programs fully accommodate the need to elicit increased supplies to meet consumer demand. This special emphasis on consumer food prices is vital in view of the recent upsurge in food prices at the wholesale level.

Finally, I endorse the President's goal of getting the rate of inflation down to 2.5 per cent or less by the end of 1973. This is an ambitious goal but not an unreasonable one. I think we can make it.

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Finally, I endorse the President’s goal of getting the rate of inflation down to 2.5 per cent or less by the end of 1973. This is an ambitious goal but not an unreasonable one. I think we can make it.
Statement by House Republican Leader Gerald R. Ford

Congress should respond with the greatest sense of urgency to the President's recommendations concerning the economy. This means the Congress should act promptly to impose strict limits on Federal spending, to reform our tax structure, to provide tax relief for older Americans, to provide parents of nonpublic school children with income tax credits for a portion of the nonpublic school tuition they pay, and to give the President the bargaining power he needs in trade negotiations with other nations.

We have made excellent economic gains but we have much work to do to achieve genuine prosperity in peacetime. Our greatest effort must go into the fight against inflation. We must, therefore, hold down Federal spending and cooperate to make Phase III of price and wage controls a success.

There is no aspect of our national concerns that rates a higher priority than keeping our economy healthy. Hopefully, the Congress will join hands with the President in this endeavor.

I applaud the decision of the Cost of Living Council to impose price controls on the largest oil companies.

This action, the first of its kind to be taken since Phase III was inaugurated, should convince even the most skeptical that the Administration means business with Phase III and that Phase III will have teeth in it.

As for this particular price control decision, the impact of petroleum product price increases is so far-reaching that the imposition of price controls on this industry is unquestionably justified.

# # #
Because of its present procedures and particularly because of its present political leadership, Congress is not handling Federal fiscal policies in a responsible manner. The Congress now permits its legislative committees--instead of its fiscal committees--to decide, independently of each other, how much should be devoted to individual programs. Total Federal spending is thus haphazard and uncontrolled. We pledge vigorous efforts to reform the Congressional budgeting process.

The spending ceiling debate in the waning months of the 92nd Congress drew attention to the fact that the Congress acts on the various spending programs as if they were unrelated and independent actions. To rectify the resulting budgetary chaos, the Congress established a Joint Study Committee on Budget Control to study and review:

...the procedures which should be adopted by the Congress for the purpose of improving Congressional control of budgetary outlay and receipt totals, including procedures for establishing and maintaining an overall view of each year's budgetary outlays which is fully coordinated with an overall view of the anticipated revenues for that year...

Recently the Study Committee submitted an interim report presenting tentative recommendations for a comprehensive, sound, workable system encompassing all Congressional actions affecting the budget process. In substance the interim
report included, among others, the following recommendations which the Republican
Policy Committee supports:

1. There should be a mechanism for Congress to--
   a.) determine the proper level of expenditures after
       considering fiscal, economic, monetary and other
       factors involved.
   b.) provide an overall ceiling on expenditures and
       obligational authority for each year, and
   c.) determine the aggregate revenue and debt levels
       which appropriately should be associated with
       the expenditures and budget authority limits.

2. Any limitation on expenditures and new obligational authority
   should cover not only budgetary outlays handled through the Appropriations
   Committee but also programs funded separately from the annual appropriation
   process.

3. Initial action taken with respect to expenditure ceilings and
   new obligational authority limitations should occur early in each session
   of the Congress, but there should be a procedure established for re-
   consideration of these ceilings in the latter part of each Congressional
   session.

4. A procedure should be developed for allocating the appropriate
   portion of expenditure and obligational authority to various committees and
   subcommittees having jurisdiction over legislation or appropriations af-
   fecting the budget.

5. Procedures should be developed which would assure compliance
   with the expenditure and budget authority ceilings.
6. Procedures should be developed to present to Congress the effect on expenditures of existing and proposed legislation, not only in the current year, but also for three to five years ahead.

7. An organization to implement the control procedure outlined above should encompass the formation of a permanent joint committee on the budget.

8. There also should be an opportunity for Congress to review periodically the different ways in which budget authority and expenditures are in fact authorized or incurred.

The progress of the Joint Study Committee on Budget Control in performing its task of developing an effective budgetary control system represents sizable strides toward the goal of fiscal responsibility. The House Republican Policy Committee urges that the Joint Committee on Budget Control be empowered to present its recommendations in the form of specific legislative proposals.
The House Republican Policy Committee supports President Nixon's veto of S.7, the 'Rehabilitation Act of 1972.'

The Republican administration is deeply committed to the support of vocational rehabilitation services necessary for the handicapped to become fully integrated into the social and economic mainstream. It is likewise committed to the curb of wasteful increases in Federal spending and unnecessary duplication of other Federal programs which ordain more taxes or more inflation.

In the past five years the vocational rehabilitation program has been characterized by improved services, increased availability and generous funding. Extension of the program has received the strong endorsement of President Nixon.

In the pre-election hours of last October, the Congress forwarded to the President H.R. 8395, the original Rehabilitation Act of 1972. Citing the measure as one which would have "seriously jeopardized the goals of the rehabilitation program" and as "another example of Congressional fiscal irresponsibility," President Nixon wisely withheld his approval of the bill.

Without consideration of the President's objections to the provisions of H.R. 8395, the 93rd Congress has passed S.7, which substantially repeats the objectionable provisions of the previous bill. The Act once again diverts the
program from its basic employment-oriented mission to that of social welfare. It would also proliferate a host of new, independent categorical aid programs which duplicate and overlap existing authority and effort. It too would alter the present effective and coordinated management of services by dictating new administration structures. And, S.7 again authorizes funding far in excess of the President's budget request and far beyond what could be made available and used effectively.

As S.7, the "Rehabilitation Act of 1972", "would waste taxpayers dollars, and would complicate and confuse the direction of this program", President Nixon has elected to veto the measure. He has again demonstrated the dedication of this Republican administration to the continuance of an effective and responsible vocational rehabilitation program. He has called upon the Congress to extend the program at a level which the Nation can provide without increased taxes and without inflationary effects.

The House Republican Policy Committee supports President Nixon's veto of S.7. We call upon the Democrat majority in the House to bring a bill to the Floor which will be approved, so that this vital program may be continued.
The House Republican Policy Committee finds objectionable certain features of H.R. 5683, as reported by the Committee on Agriculture, and supports the continued efforts of Republican Members to amend and improve the Committee bill. We share with the minority members of the Committee the fundamental conviction that a viable and effective Rural Electrification and Telephone program is essential, not only to farm and rural people but to the general public as well. We feel that substantial changes to the reported measure are necessary in order to provide a constructive and durable bill which is effective and can be enacted.

The most objectionable provision of H.R. 5683, as reported, relates to the mandatory language which ties the hands of program administrators, removing huge sums of money from proper budgetary control. This bill would eliminate the REA Administrator's discretion, in that it would direct that loans be made, at artificially low interest rates, to the full extent of the assets available in a new revolving fund. The resources of this new fund would far exceed foreseeable borrowing needs of the rural electric and telephone community. The creation of this "backdoor spending" revolving fund is unnecessary and unsound.

We recommend that H.R. 5683, in its present form, be rejected.
Now that the President's veto of S. 7, the Vocational Rehabilitation Act of 1972, has been sustained, I hope members of Congress -- Democrats and Republicans -- will work together to enact effective and acceptable vocational rehabilitation legislation into law. The handicapped of the Nation deserve our best efforts.

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---FOR IMMEDIATE RELEASE---
April 4, 1973

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In sustaining the President's veto of the rural sewer and water bill, the House accurately reflected the view of the American people that we must get the Nation's fiscal affairs in order.

The people know that if the Federal Government allows programs to proliferate and pours money out of a variety of spigots for the same purposes, the result will be a tax increase or a fresh spurt of inflation.

I now am hopeful that the Democratic leadership in the Congress will cease their budget-busting tactics and will turn to a constructive course.
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April 10, 1973


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The House Republican Policy Committee urges an extension of existing Presidential authority to establish appropriate wage, price and rent controls to stabilize the economy. The Committee is unalterably opposed to the passage of H.R. 6168, as reported by the House Committee on Banking and Currency, and H.R. 6879, the Stevens substitute therefor. Both the reported bill and the substitute propose amendments to the Economic Stabilization Act of 1970 which would create chaos in the economy.

By rolling back prices and establishing inflexible price ceilings, H.R. 6168 and H.R. 6879 would cripple farm and factory production, force unemployment and create shortages which would inevitably lead to rationing and black markets.

By forcing an interest rate rollback and freeze, both the reported and substitute bills would bring disaster to the financial market, curbing public and private borrowing, stagnating business and promoting a massive outflow of dollars abroad.

(OVER)
By mandating a retroactive, federal freeze of all rents, commercial as well as residential, H.R. 6168 and H.R. 6379 would disrupt construction and deny individual communities the right to decide whether or not rent controls are actually needed.

Numerous other provisions found in the reported bill and substitute, such as the establishment of an Office of Consumer Counselor and the broadening of export controls, further limit the President's ability to best meet the requirements of a changing economy.

H.R. 6168 and H.R. 6379 are the wrong answers to the highly complicated problems of inflation and foreign trade. They are counter-productive, willful, ill-considered and reckless, and can only result in a disjointed and artificially controlled economy.

The House Republican Policy Committee strongly opposes the passage of either H.R. 6168 or H.R. 6379, and calls upon the Democrat majority to join with Republicans in extending the present Presidential authority under the Economic Stabilization Act of 1970.
The entire Michigan congressional delegation today fired off telegrams to the Office of Management and Budget and the Environmental Protection Agency protesting a tieup of Federal funds which has stalled Michigan's water pollution control program.

The delegation demanded to know from EPA why $501 million in Federal sewage treatment funds released thus far this year went to just 13 states, with Michigan getting nothing. Michigan's two senators and 19 congressmen also asked why the treatment works projects in these 13 states were certified before sewage treatment industrial user charges went into effect on March 1, giving those states an advantage.

In the telegram to OMB, the Michigan delegation urged that all obstacles to the additional allocation of fiscal 1973 sewage treatment funds be removed.

The delegation noted that President Nixon had allocated $2 billion for sewage treatment works in fiscal 1973, but only $501 million has been disbursed. Members quoted the President as saying this $2 billion would be "available immediately."

Complaining about the lack of funds, the delegation cited "long delays (by EPA) in developing and approving administrative regulations." This, the members said, has "resulted in a virtual hold on the use of these funds as well as those for reimbursement."

In its protest over the delay in funding, the delegation declared: "The lack of construction funds raises serious questions about the impact on the construction industry and the employment situation therein, particularly if there is no program acceleration in the near future. The lack of reimbursement is costly and damaging to local communities which have advanced funds from other programs and delayed project completion."

The delegation said no contracts for new sewage treatment projects have been awarded in Michigan in nine months.

The Michigan members asked that OMB give "the highest priority" to removing any impediments to the immediate use of fiscal year 1973 sewage treatment construction funds and disbursement for reimbursement funds.

(more)

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Comment by Rep. Gerald R. Ford on President's Anti-Inflation Speech

The President's approach is right on target. The strong actions taken by the President to deal with inflation will be welcomed by consumers throughout the country. His is the right medicine at this point in time.

The best course is to stop inflation cold with an across-the-board price freeze and then to apply effective price controls. We all know it: Phase III just didn't work. I am pleased with the freeze and the promise of Phase IV. I am also pleased that the President has ordered an investigation of recent price increases, with the prospect of rollbacks.

Nobody in America should be gouging the consumer. As the President said, the consumer comes first.

It's now the obligation of the Congress to join with the President in implementing an effective anti-inflation program.

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It's now the obligation of the Congress to join with the President in implementing an effective anti-inflation program.
The House Republican Policy Committee strongly opposes the passage of H.R. 3430, Impoundment Control and 1974 Expenditure Ceiling. In these days of urgent need for responsible reform of Congressional budgetary processes this bill is counter-productive in that it attacks the only bulwark the country has against fiscal mismanagement.

H.R. 3480 would require the President, whenever he or any officer of the Executive Branch withholds or delays the expenditure of funds appropriated for a specific purpose or project, to transmit within ten days a special message to both the House and Senate specifying the amount impounded, the projects affected and the reasons for the impoundment. If within sixty days either House by simple resolution disapproves, the President would be required to cease the impoundment. Title II of the bill would establish a ceiling on budget outlays for fiscal year 1974 and require the President to meet the ceiling by making proportional cuts in all but a few favored programs. Thus, cuts would be made regardless of merit and without consideration of any special circumstances which might exist.

H.R. 3480 constitutes an unprecedented, unwarranted and possibly unconstitutional intrusion by the Congress into the Executive function.

(OVER)
It would enormously complicate, if not prevent, responsible program planning and management. Rather than curb, it would invite waste by forcing expenditures, by prohibiting flexibility in periods of changing economic conditions, and by mandating wasteful and expensive reporting procedures. The "shotgun" requirement of "proportionate" reductions to achieve an outlay ceiling would cause havoc in the financial management of Government funds.

H.R. 8480 illuminates the failure of Congress to meet its fiscal responsibilities. Rather than legislate political gimmickry, we should concentrate all effort in the development of a sound and effective budgetary control system.

The House Republican Policy Committee opposes the passage of H.R. 8480.