

**The original documents are located in Box 32, folder “11/28/75 S2195 National Productivity and Quality of Working Life Act of 1975 (2)” of the White House Records Office:
Legislation Case Files at the Gerald R. Ford Presidential Library.**

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~~(Fellen)~~

November 19, 1975

RRR

Presidential Statement:

NATIONAL COMMISSION ON PRODUCTIVITY AND WORK QUALITY
FRIDAY, NOVEMBER 21, 1975

I am ^{pleased to} ~~signing~~ this legislation to ^{create} ~~create~~ a new National Center

for Productivity and Quality of Working Life, ~~because~~ ^{increased} ~~continued~~ productivity is essential to ^{maintain} ~~sustaining~~ our standard of living and our competitive position in the world market ~~to be maintained.~~

The Center will replace the National Commission on Productivity and Work Quality, ^{It} ~~and~~ will assume many responsibilities the Commission was unable to undertake because of uncertain tenure and inadequate funding.

Vice President ~~Nelson~~ Rockefeller, who has chaired the Commission since March, will be Chairman of the Board of Directors of the Center.

The Center will be concerned with such important issues as the ~~slow~~ ^{slowed} growth rate of productivity in the United States and the ~~diminishing~~ U.S. leadership in productivity internationally. It will also work to encourage greater cooperation between labor and management in solving productivity problems.

Productivity is a ^{Vital} ~~an important~~ factor in ^{the} ~~our~~ economic growth ^(of this Nation.)

If we are to meet the challenges of the future, we must ^{develop} ~~foster~~ creative

methods of promoting productivity and improving the quality of working

life in the United States.

^{I am confident the} ~~The~~ new Center created by this legislation will make important contributions ~~to the objectives~~

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12/13/75

FOR THE RECORD:

The attached material was received in the Records Office today. Neither the Statement nor the Memo to Heads of Dept's was issued.

Neither one was approved by the President.

However, a statement by the President was issued on 12/10/75 in connection with the selection of the Vice President to serve as Chairman of the National Center which was created by this new law on 11/28/75 and a copy of that statement has been included in the bill file for information purposes.

Tom Jones



THE WHITE HOUSE
WASHINGTON
November 28, 1975

ACTION

MEMORANDUM FOR THE PRESIDENT
FROM: JIM CANNON ✓
SUBJECT: S. 2195 - National Center for Productivity
and Quality of Working Life

Bill Seidman has requested that you issue the following in connection with your approval of S. 2195, creating the National Center for Productivity and Quality of Life:

- Proposed signing statement
- Proposed memorandum to heads of departments and agencies transmitting the policy statement of the expiring National Commission on Productivity and Work Quality.

The statement and the memorandum have both been reviewed and approved by the Commission, OMB (Collier), Peter Wallison, and Counsel's Office (Schultz). Paul Theis has approved the text of both of these items.

RECOMMENDATION

That you approve the signing statement at Tab A.

Approve _____ Disapprove _____

That you sign the memorandum at Tab B.

Approve _____ Disapprove _____

*Returned from President's Outbox
with no action taken.
RDL
12.9.75*



STATEMENT BY THE PRESIDENT

I am pleased to sign this legislation creating a new National Center for Productivity and Quality of Working Life. Increased productivity is essential to sustain our standard of living and competitive position in world markets.

The Center will replace the National Commission on Productivity and Work Quality. The new Center will assume many responsibilities that the former Commission was unable to undertake because of its uncertain tenure and inadequate funding. I am also transmitting to Executive departments and agencies a policy statement prepared by the National Commission on Productivity and Work Quality which outlines an ambitious agenda of activities for the new Center in promoting and supporting our efforts to achieve greater productivity within the government and the private sector.

Vice President Rockefeller, who has chaired the Commission since March, will be Chairman of the Board of Directors of the Center.

The Center will be concerned with such important issues as the rate of productivity in the United States and U.S. leadership in productivity internationally. It will also work to encourage greater cooperation between labor and management in solving productivity problems.

Productivity is a vital factor in the economic growth of this Nation. If we are to meet the challenges of the future, we must develop creative methods of promoting productivity and improving the quality of working life in the United States. I am confident that the new Center, created by this legislation, will make an important contribution.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

DEPARTMENTS AND AGENCIES

The Nation's economy faces two critical challenges: restraining inflationary forces as economic activity increases and creating 18 million jobs during the next 10 years.

The solutions to these challenges deserve our most thoughtful attention. In this effort, I recommend that you consider the Policy Statement of the National Commission on Productivity and Work Quality. The Commission, composed of leading businessmen, labor leaders, government officials, and public representatives, has prepared a constructive statement on productivity which can provide a framework for many of your ongoing efforts and for others who wish to help improve productivity throughout the Nation.

In meeting the challenges we face, it is essential that we invigorate the sources of our long-term growth -- the Nation's human resources, the technology we use in production, and the capital investment that finances innovation. We must also make certain that government regulations and rules do not impair efforts by private industry to stimulate the growth of productivity and the creation of jobs.

Productivity improvement depends primarily on the decisions made by individuals and actions taken in all sectors of the economy. The Commission's recommendations will not produce immediate and dramatic results, but they provide a basis for long-term improvements in the performance of the Nation's economy.

I recommend that you review carefully the Policy Statement on Productivity and report to me the actions your agency plans to take in support of its recommendations.

THE WHITE HOUSE

WASHINGTON

November 28, 1975

MEMORANDUM FOR JUDY JOHNSON

FROM: ROGER PORTER *RP*

SUBJECT: Statement on National Center for Productivity
and Quality of Working Life

A Presidential Statement to accompany his signing of legislation creating a new National Center for Productivity and Quality of Working Life and a memorandum from the President to heads of Departments and agencies transmitting the Policy Statement of the expiring National Commission on Productivity and Work Quality are attached.

I have reviewed these statements with the Speechwriting Department, Peter Wallison of the Vice President's Office, Cal Collier (OMB) and the staff at the National Commission. All of the above approve.

If I can be of any further assistance, please don't hesitate to call.

RRR

MEMORANDUM
~~A MESSAGE FROM THE PRESIDENT~~
~~TO HEADS OF EXECUTIVE AGENCIES~~
~~DEPARTMENTS AND~~

The Nation's economy faces two critical challenges: restraining inflationary forces as economic activity increases and creating 18 million jobs during the next 10 years.

The solutions to these challenges deserve our most thoughtful efforts, ~~in seeking solutions:~~ In this effort, I recommend that you consider the Policy Statement of the National Commission on Productivity and Work Quality. The Commission, composed of leading businessmen, labor leaders, government officials, and public representatives, has prepared a constructive statement on productivity which can provide a framework for of your many ongoing efforts and for others those who wish to help improve productivity throughout the Nation.

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dramatic results, but they provide a basis for long-term improvements in the performance of the Nation's economy.

I recommend that you review carefully the Policy Statement on productivity and ^{report to} ~~let me know~~ ^{the} ~~what~~ actions your agency plans to take in support of its recommendations.

11/25/75

MEMORANDUM FROM THE PRESIDENT
TO HEADS OF DEPARTMENTS AND AGENCIES

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The solutions to these challenges deserve our most thoughtful attention. In this effort, I recommend that you consider the Policy Statement of the National Commission on Productivity and Work Quality. The Commission, composed of leading businessmen, labor leaders, government officials, and public representatives, has prepared a constructive statement on productivity which can provide a framework for many of your ongoing efforts and for others who wish to help improve productivity throughout the Nation.

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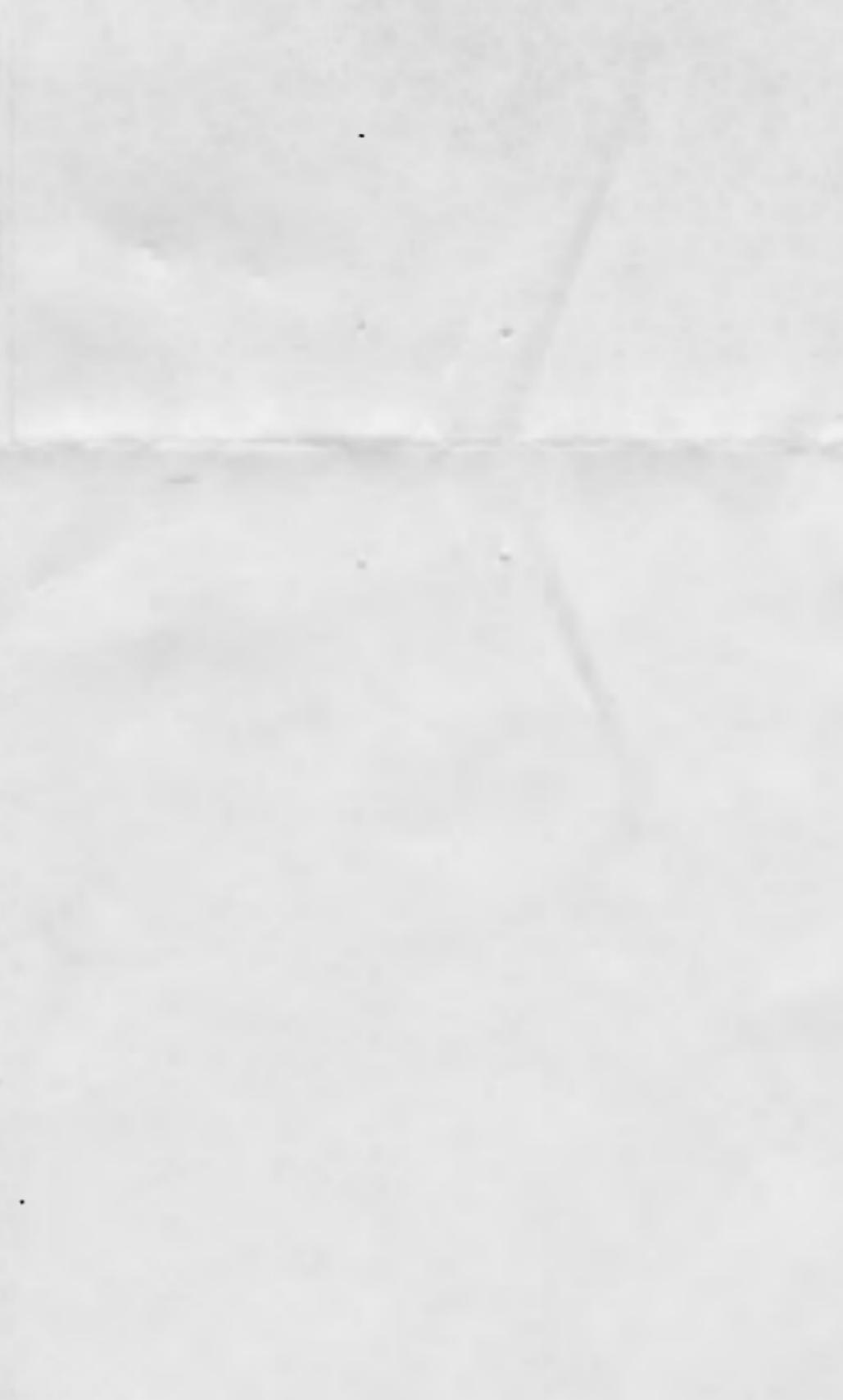
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The Nation's economy faces two critical challenges: restraining inflationary forces as economic activity increases and creating 10 million jobs during the next 10 years.

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November 28, 1975

NATIONAL COMMISSION ON PRODUCTIVITY AND WORK QUALITY
PRESIDENTIAL STATEMENT

I am pleased to sign this legislation creating a new National Center for Productivity and Quality of Working Life. Increased productivity is essential to sustain our standard of living and competitive position in world markets.

The Center will replace the National Commission on Productivity and Work Quality. *THE NEW CENTER WILL ASSUME MANY RESPONSIBILITIES THAT THE FORMER COMMISSION WAS UNABLE TO UNDERTAKE BECAUSE OF ITS UNCERTAIN TENURE AND INADEQUATE FUNDING.* I am also transmitting to Executive departments and agencies a policy statement prepared by the National Commission on Productivity and Work Quality which outlines an ambitious agenda of activities for the new Center in promoting and supporting our efforts to achieve greater productivity within the government and the private sector.

Vice President Rockefeller, who has chaired the Commission since March, will be Chairman of the Board of Directors of the Center.

The Center will be concerned with such important issues as the rate of productivity in the United States and U.S. leadership in productivity internationally. It will also work to encourage greater cooperation between labor and management in solving productivity problems.

Productivity is a vital factor in the economic growth of this Nation. If we are to meet the challenges of the future, we must develop creative methods of promoting productivity and improving the quality of

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FOR IMMEDIATE RELEASE

Office of the White House Press Secretary

THE WHITE HOUSE

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94th Congress }
1st Session }

SENATE

{ REPORT
No. 94-335

**NATIONAL PRODUCTIVITY AND QUALITY
OF WORKING LIFE ACT OF 1975**

REPORT
OF THE
COMMITTEE ON GOVERNMENT OPERATIONS
UNITED STATES SENATE

TO ACCOMPANY

S. 2195

TO ESTABLISH A NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE; TO PROVIDE FOR A REVIEW OF THE ACTIVITIES OF ALL FEDERAL AGENCIES INCLUDING IMPLEMENTATION OF ALL FEDERAL LAWS, REGULATIONS, AND POLICIES WHICH IMPEDE THE PRODUCTIVE PERFORMANCE AND EFFICIENCY OF THE AMERICAN ECONOMY; TO ENCOURAGE JOINT LABOR, INDUSTRY, AND GOVERNMENT EFFORTS TO IMPROVE NATIONAL PRODUCTIVITY, AND THE CHARACTER OF WORKING CONDITIONS; TO ESTABLISH A FEDERAL POLICY WITH RESPECT TO CONTINUED PRODUCTIVITY GROWTH AND IMPROVED UTILIZATION OF HUMAN RESOURCES IN THE UNITED STATES; AND FOR OTHER PURPOSES



JULY 28, 1975.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

NATIONAL PRODUCTIVITY AND QUALITY OF WORKING
LIFE ACT OF 1975

JULY 28, 1975.—Ordered to be printed

Mr. NUNN, from the Committee on Government Operations,
submitted the following

REPORT

[To accompany S. 2195]

The Committee on Government Operations to which was referred the bill (S. 2195) to establish a National Center for Productivity and Quality of Working Life; and to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity, and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of the National Productivity and Quality of Working Life Act of 1975 is to establish a national policy to encourage productivity growth in all sectors of the economy and to create an independent National Center for Productivity and Quality of Working Life to focus, coordinate, and promote efforts to improve the rate of national productivity growth.

HISTORY OF THE LEGISLATION

The original bill reported by the committee is the outgrowth of S. 4130 and S. 4212, which were introduced in the 93d Congress by Senators Nunn and Percy, respectively. Those bills were the subjects of hearings on national productivity conducted by the committee on December 16 and 17, 1974, at which 25 witnesses testified.

Senators Percy and Nunn revised and introduced their bills—S. 765 and S. 937, respectively—early in the 94th Congress. Additional hearings, dealing exclusively with these measures, were held on March 20 and 21, 1975. Eight witnesses testified at the March hearings.

The original bill reported by the committee represents a combination of the Nunn and Percy bills. The committee also has taken into consideration a bill recommended by the Ford administration which was introduced in the House of Representatives (H.R. 6078) but not in the Senate.

BACKGROUND

One of the Nation's most important and least understood economic problems during the past decade has been a declining rate of productivity growth. It is important because increases in our standard of living are dependent to a large extent on increases in our national productivity. Unless productivity grows, any increases in income will be absorbed by higher prices. Therefore, improving our productivity growth rate can be instrumental in controlling the spiraling rate of inflation that has gripped our national economy. According to statistics compiled by the Bureau of Labor Statistics, output per man-hour in the private economy in the United States grew at an average annual rate of 3.2 percent from 1947 to 1966; however, from 1966 to the present the rate has dropped to 1.9 percent.

The rate of decline has been even more pronounced during the past 2 years. As measured by BLS, output per man-hour began a steady decline early in 1973 and has continued from quarter to quarter, with some hesitation, until very recently. By the fourth quarter of 1974, output per man-hour was down 4.2 percent from the first quarter of 1973. Productivity in the key U.S. manufacturing sector has remained virtually unchanged over the past year.

By comparison, productivity in the major industrial countries abroad continued to increase. From 1973 to 1974, output per man-hour in manufacturing rose more than 3.1 percent in Japan, 3.4 percent in France, and 2.9 percent in West Germany.

While the recent economic recession has had considerable short-term effects on productivity, the steady decline in productivity growth since 1966 reflects long-term causes in addition to transitory economic cycles. Economists identify some of these long-term causes as (1) changes in the productivity of component sectors and industries and shifts in the relative importance of sectors; (2) changes in the composition of the labor force to more younger workers and more female workers; (3) shifts in the overall economy away from manufacturing to service-oriented industries; (4) changes in the ratio of capital to labor; and (5) the adverse effect of some Federal and State laws, regulations, and policies.

In addition to these causes, productivity growth has been affected by two new scarcities: raw materials and energy. Therefore, long-term improvements in productivity will depend on the development of new technologies as well as finding solutions to the long-term causes. A concerted national effort to reverse the decline in productivity growth in the American economy must be addressed specifically to improvements in technology, management techniques, capital formation, education and training of workers, labor-management relations, and government regulation, among other factors.

The operation of the American economy is a combination of effort, both physical and mental, by individuals at all stages of the production process. Any effort to improve the economy's performance—in other words, to raise productivity—cannot afford to neglect any aspect of this production process.

THE QUALITY OF WORKING LIFE

An important element in any program to accelerate productivity growth must involve the worker's contribution, his education, training, experience, attitude and the conditions at his workplace. In any program for productivity improvement the worker must be provided the necessary support in the form of equipment, tools, training, and conditions on his job that will enable him to make his maximum contribution to the economy.

Recently, renewed attention has been given to proposals and projects for improving what is known as the quality of working life—namely, those factors which affect the worker's attitude and his output on the job. There have been a variety of programs, many developed through union-management negotiations, which have been pointing towards changes in this general area. One example is the steel industry where since 1971 the major basic steel companies and the United Steelworkers of America have established joint advisory committees at each major steel plant to devise ways of improving productivity and promoting the use of steel produced in the United States. The 1974 agreement states that:

... the future for the industry in terms of employment security and return on substantial capital expenditures will rest heavily upon the ability of the parties to work cooperatively to achieve significantly higher productivity trends than have occurred in the recent past.

A joint labor-management memorandum lists the following topics for consideration by these individual plant committees:

- Maximizing use of production time and facilities;
- Reducing equipment breakdowns and delays;
- Improving quality;
- Reducing need for reprocessing products;
- Eliminating waste of materials, supplies and equipment;
- Reducing excessive overtime;
- Boosting employee morale;
- Improving safety experience; and
- Focusing employee awareness on the problems of productivity and those posed by the threat of foreign competition.

In other situations different approaches have been made. Upon the initiative of management, often with the cooperation of the union representing the employees, new systems of work organization have been developed in a number of new or reorganized plants. Some of these have been directed toward simplifying an individual task in order to relieve the worker of a burdensome job. In others, the effort has been to add more varied or demanding tasks to particular jobs in order to make them more challenging to the individual worker. In both

types of situation, these efforts have not only led to improved worker attitude on the job but also to improved productivity performance.

The committee feels that efforts of this type which focus on the worker, his training, experience, job conditions, and his role in production, can be an important ingredient in improving the productivity of the economy as a whole. These issues, summarized in the phrase "quality of working life," therefore, form an important aspect of this proposed legislation.

HISTORY OF THE FEDERAL PRODUCTIVITY EFFORT

The Federal Government's effort to improve productivity in the economy as a whole has been centered in the National Commission on Productivity and Work Quality, although several agencies are engaged in activities and projects related to productivity improvements. President Nixon created the Commission as part of his "new economic policy" of 1970. At the outset, it was known as the Commission on Productivity and had a part-time staff and no independent funding.

The Commission was given legislative recognition in the Economic Stabilization Act Amendments of 1971 (P.L. 92-210), which authorized wage and price controls. However, the Commission experienced organizational and funding problems. In 1974 Congress passed P.L. 93-311, which changed the name to the Commission on Productivity and Work Quality and clarified its mandate in an attempt to remedy its problems. However, the Commission has continued to be hampered in its operations by year-to-year authorizations, poor funding, and frequently changing leadership. Former Secretary of Commerce Frederick B. Dent testified at the committee's hearings in March that—

there was no continuity of leadership. The chairmanship [of the Commission] changed relatively frequently. A man would get in with commitment and, lo and behold, he would be changed to a new job, . . . One of the most glaring problems, however, was the hiatus in funding, where it really went adrift and was kept alive, as I recall, by a grant from another agency.

While the Commission has embarked on some ambitious and very worthwhile projects, the committee believes that it should be reorganized and its mandate revised if it is to be effective in the future.

The Federal Government's effort to improve the productivity of its own agencies has been centered in the Joint Financial Management Improvement Program, which was given responsibility for a continuing Federal Productivity Program by the Director of the Office of Management and Budget in 1973. The JFMIP is a joint and cooperative undertaking by OMB, the General Accounting Office, the Treasury Department, the General Services Administration, and the Civil Service Commission. It was authorized by the Budget and Accounting Procedures Act of 1950.

NEED FOR A FEDERAL EFFORT

Improving the Nation's productivity growth rate will not be accomplished overnight, and any Federal effort to stimulate productivity growth will be a first step on a long road. As Secretary of Labor John T. Dunlop, who was then Chairman of the National Commission on Productivity and Work Quality, testified at the committee's December hearings, "virtually everything affects productivity." Accordingly, there is no easy or quick method to reverse the downward trend in the Nation's productivity growth rate. Dr. Dunlop cautioned that productivity improvement "is a long-term proposition."

Any effort directed at improving productivity must incorporate the efforts of management; organized labor, institutions of higher education, State and local governments, and other organizations and individuals as well as the Federal Government. Improvements cannot be mandated; they must be brought about over a period of years with the efforts and cooperation of all segments of the national economy. The Federal Government can provide the leadership needed for such a concerted effort. However, this bill is not designed to force productivity improvements. It does provide a focal point for a national effort to improve America's rate of productivity growth in the form of an independent Federal agency whose role will be to coordinate and stimulate activities in all sectors of the economy to achieve this purpose. It also provides a Federal policy to improve productivity growth, and it directs each Federal agency to undertake certain actions to carry out that policy.

A FEDERAL POLICY TO STIMULATE PRODUCTIVITY GROWTH

Witnesses at the committee's hearings emphasized the need to establish a Federal policy to stimulate a high rate of productivity growth through the use of all practicable means and measures, and to require that the laws, rules, regulations, and policies of the United States be interpreted to carry out this policy. Accordingly, the bill provides for the establishment of such a policy, and it makes it the continuing responsibility of the Federal Government to use all practicable means to improve and coordinate Federal plans, functions, programs, and resources to achieve a high rate of productivity growth.

Much has been written about the effect of governmental regulation on the efficient working of the economy. The purpose of the committee in establishing a Federal productivity policy is to require each agency to assess the impact of its regulations, policies, and programs on national productivity growth.

In carrying out this Federal policy, each department, agency, and independent establishment of the Federal Government is directed by the bill to undertake certain prescribed actions, including an internal review of its statutory authority, policies, and regulations, and the support of external activities aimed at increasing national produc-

tivity. Each agency also is directed to improve its own internal productivity.

NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE

The focal point for the Federal productivity effort will be the National Center for Productivity and Quality of Working Life, which will replace the existing National Commission on Productivity and Work Quality and absorb its functions and staff. Operating as an independent establishment of the executive branch, the Center will be directed to coordinate the efforts of the other Federal agencies to bring about improved productivity growth.

The Center will be responsible for developing an overall national productivity policy and for coordinating efforts by all Federal departments, agencies, and establishments to carry out the policy set forth for the Government. The Center will conduct an aggressive public education program, arrange or provide technical assistance, and generally stimulate efforts on the part of State and local governments and in the private sector of the economy.

As part of its duties, the Center will conduct studies, examinations and assessments; formulate recommendations for the President, Congress, and agency heads about how to improve productivity; and stimulate improvements by encouraging maximum active participation of labor organizations, associations and confederations, business enterprises and associations, institutions of higher education, foundations and other philanthropic organizations and research centers and institutes, and State and local governments.

The committee views the establishment of the National Center on Productivity and Quality of Working Life as a first step in the effort to increase productivity within the American work force in an effort to maintain our world wide leadership in the production of goods and provision of services. The bill provides, for the first time, a single Federal agency which will coordinate the activities of other agencies to improve productivity. The committee anticipates that as the Center develops its coordinating functions it may well identify areas where the Federal Government should take a more active part in efforts to increase productivity in both the public and private sectors. The Center, then, is a means to the development of an effective national policy, and not an end. It may well be necessary and desirable to provide for the establishment of specific Federal programs for productivity improvement. The committee expects the Center will be an effective vehicle for such additional Federal programs in this area as may be provided for at a later date.

It is also expected that when the Center identifies the need for additional Federal programs in the area of productivity improvement that it will make such recommendations as may be appropriate for the establishment of such programs to the Congress or to various Federal agencies that might assist in their development.

ORGANIZATION OF THE CENTER

The bill provides that the Center will be an independent establishment of the executive branch. This status should enable the Center to deal on a more equal level with other Federal agencies in carrying out its coordinating role and to avoid one of the primary difficulties encountered by the National Commission on Productivity and Work Quality.

The Center will have a Board of Directors consisting of 25 persons, which will be responsible for rendering overall policy direction to the Center.

The Board will be headed by a Chairman, appointed by the President and subject to confirmation by the Senate unless he is the Vice President of the United States or a Federal official who holds an office subject to Senate confirmation.

The Secretaries of the Treasury, Commerce, and Labor, the Director of the Federal Mediation and Conciliation Service, and the Executive Director of the Center will serve on the Board of Directors. The other members, all appointed by the President and subject to confirmation by the Senate, will be as follows:

Not less than 3 members from among qualified private individuals in manufacturing and service industries;

Not less than 5 members from among qualified individuals from labor organizations;

Not less than 2 members from among qualified individuals in State or local governments;

Not less than one member from the general public;

Not less than one member from qualified individuals associated with leading institutions of higher education; and

Such other members as the President shall deem appropriate. For example, if the President should name the Secretary of the Treasury as Chairman of the Board of Directors, he could then make an appropriate appointment to occupy the position otherwise occupied by the Secretary.

By using the terms "qualified" and "appropriate" in the bill, the committee intends that the President appoint individuals who, by training or experience, have some knowledge or expertise that would be beneficial to a national effort to improve productivity growth. For example, industrial engineers are instrumental in the production processes in American industry, and one of their number would be an appropriate appointee.

The committee has two concerns regarding the establishment of a 25-person Board of Directors. First, such a large body may prove to be unwieldy and unable to meet frequently. Second, the members of the Board may be occupied with other duties and unable to devote the time required to the direction of the Center, especially if they are the heads of Federal departments or agencies. The bill meets these concerns by (1) directing the Chairman to appoint an executive committee of as many as 7 members, including the Executive Director of the Center, to conduct the routine business of the Board; (2) requiring that the

executive committee meet not less frequently than every 90 days; and (3) providing that the Secretaries of the Treasury, Commerce, and Labor, and the Director of the Federal Mediation and Conciliation Service shall appoint an appropriate alternate from their departments or agencies to attend Board meetings when they are unable to do so.

The committee also has been concerned over the past several years with the practice of filling Federal positions, which are subject to the confirmation process, with temporary appointees—thereby escaping review of the officeholders by the Senate and its committees. Therefore, the bill prohibits any person from serving in an acting or temporary capacity as a Board member or as Executive Director of the Center for a period in excess of 3 months.

Responsibility for the exercise of all powers and discharge of all duties of the Center will be vested in an Executive Director, who shall be appointed by the President, subject to Senate confirmation. The Executive Director shall be chosen without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. He will be a member of the Board of Directors of the Center, from which he will receive policy direction for the operation of the Center and its staff.

FUNCTIONS OF THE CENTER

The Center will have a number of major functions.

First, it is to develop and establish, in consultation with the appropriate committees of Congress and the departments and agencies of the executive branch, a national policy for productivity growth.

Second, it is to encourage, stimulate and coordinate efforts in the private and public sectors of the economy to improve productivity growth, particularly on the part of labor organizations and confederations, business enterprises and associations, institutions of higher education, foundations and other philanthropic organizations and research centers and institutes, and State and local governments.

Third, it is to identify, study, and review existing Federal, State, and local statutes, regulations, and fiscal policies which adversely affect productivity growth. It is to recommend to the President, the Congress, and the appropriate Federal, State and local agencies any legislation, revisions of regulations, policies, practices and procedures necessary to remove any adverse effect on productivity that it finds during this review.

Fourth, it is to encourage, support, and initiate efforts in the public or private sector which are designed to improve cooperation between labor and management in the achievement of continued productivity growth. However, the Center will be restricted from engaging in activities involving consideration of issues which are included in labor-management agreements without the consent and cooperation of the parties to each agreement. The committee does not intend for the Center to become involved in the consideration of issues which are the proper subjects for bargaining, both by tradition and by labor-management agreements, without the consent and cooperation of all parties to those agreements.

Fifth, it is to serve as the coordinating body for efforts in and by the Federal Government to improve productivity growth both internally and in the economy as a whole. It is to encourage Federal departments and agencies to improve their own productivity and to initiate, stimulate and support efforts outside the Federal Government to improve productivity, and to coordinate these activities in order to eliminate duplication of effort and cost. The Center will coordinate and consult with other agencies prior to the obligation or expenditure of funds by those agencies for activities and projects to improve productivity growth. In the opinion of the committee, this is an important function, for several agencies—such as the National Science Foundation, the Economic Development Administration, the Civil Service Commission, and the Department of Labor—expend several millions of dollars annually on activities and projects designed to enhance productivity growth. Although the Center will not have authority over these other agencies' activities, the committee intends that it coordinate the expenditure of funds in order to give direction to the Federal effort and to eliminate duplication and waste. In this connection, the committee has been unable to determine precisely how much Federal money is spent each year on productivity-related projects. Therefore, the Center is directed to account for all such Federal expenditures in its annual report.

Sixth, the Center is to identify, develop, and support activities, programs, systems and techniques to measure productivity growth. This work should be designed to produce more accurate measurements of productivity, including the development of a uniform definition of the concept of productivity growth, and of productivity-related management and analytical skills.

Seventh, it is to collect and disseminate relevant information related to productivity improvements, and it is to develop and implement a public information program designed to inform the public of the meaning and importance of productivity growth. The committee has found that the public is generally unaware of the importance of productivity growth to a healthy economy, and that consequently Americans are unaware of the importance of their individual roles in improving national productivity. The dissemination of factual information should serve to eradicate this lack of understanding.

POWERS OF THE CENTER

In developing this legislation, the committee considered in some detail whether the Center should be empowered to enter into contracts and grants to support activities outside the Federal Government which would contribute to productivity growth. The committee decided that the Center should be empowered to enter into contracts and other funding arrangements to carry out the purposes of the legislation. However, neither the Center nor any party participating in a contract or other funding arrangement with it shall become involved in programs or projects involving consideration of issues which are the proper subjects for bargaining, both by tradition and by labor-management agreements, without the consent and cooperation of all

parties to those agreements. The committee intends for the Center to remain small and to concentrate its efforts on coordinating the activities of other Federal agencies, State and local governments, and public and private organizations and individuals. There is absolutely no intention on the part of the committee to create another large Federal bureaucracy.

On the other hand, there may be programs and projects for which the Center might deem it appropriate to enter into a contract or other funding arrangement, such as a special study or services connected with a conference, a meeting, or a workshop, or demonstration programs, where labor and management have already begun such programs, which evidence a potential for the development of programs and techniques of productivity improvements, and which can serve as examples for similar efforts in other localities or industries. The Center, within its discretion, may enter into contracts or other funding arrangements in support of such programs or projects.

The Center also will be vested with such powers as are necessary to carry out its functions. These powers are enumerated in section 205 of the bill.

FEDERAL AGENCY COORDINATION

In order to involve the entire Federal Government in an effort to improve productivity, the bill requires each department, agency, and independent establishment to undertake certain activities, in coordination with the Center. Essentially, they are to:

Designate a qualified individual to serve as liaison with the Center and to assist the Center in carrying out its duties;

Keep the Center informed of their programs, policies, and initiatives to improve productivity, and consult with the Center prior to the obligation or expenditure of funds for activities or projects to improve productivity growth;

Furnish or allow access to all relevant materials and information required by the Center to carry out its functions;

Study and review the promulgation and implementation of its statutory authority, policies, and regulations and identify those which adversely effect productivity growth or impede the efficient operation of the national economy, and make appropriate recommendations as to how such adverse affects may be eradicated;

Make available advice, information, and support, including financial and other assistance, to State and local governments, labor organizations, industry, public institutions, and other qualified organizations in order to enhance sustained productivity growth; and

Improve their own internal productivity.

The provisions requiring Federal agency coordination are not meant to detract from the continuing Federal Productivity Program instituted by OMB in 1973 or from the efforts of the Joint Financial Management Improvement Program to improve the Government's internal productivity. The committee intends for these efforts to continue, with the Center playing a coordinating role.

REVIEW AND EVALUATION

While the bill creates the Center on a permanent basis, it provides authorization for appropriations for only 3 years. It also requires the Comptroller General to evaluate the effectiveness of the Center's activities, the effect that the Center's activities have had on the operations of other Federal agencies, and to recommend any legislation necessary to improve the implementation of the objectives of the bill.

The Comptroller General is required to submit a report of his evaluation not less than 30 months but not more than 36 months after the effective date of the bill.

The committee feels that 3 years should be a sufficient period in which to analyze the performance and effectiveness of the Center. At the end of 3 years, funds for the Center must be reauthorized, and the appropriate committees of Congress will have an opportunity to reassess the need for a national productivity center at that time.

SECTION-BY-SECTION ANALYSIS OF THE BILL

TITLE I—FINDINGS, PURPOSE, AND POLICY; DEFINITIONS

Section 101 contains congressional findings relating to the declining rate of productivity growth. In general, the findings state that the Nation's productivity growth rate has declined since 1965, and that an increasing growth rate is essential to the social and economic welfare of the American people. The section also sets out several national needs which must be met in order to stimulate continued productivity growth.

STATEMENT OF PURPOSE

Section 102 states the purpose of the Act, which is to establish a national policy to encourage productivity growth consistent with the needs of the economy, the environment, and the needs, rights, and best interest of management, the work force and consumers; and to establish an independent National Center for Productivity and Quality of Working Life to focus, coordinate, and promote efforts to improve the rate of national productivity growth.

FEDERAL POLICY

Section 103 establishes a continuing policy of the Federal Government to use all practicable means and measures, including financial and technical assistance, to stimulate a high rate of productivity growth. This policy is to be carried out in cooperation with State and local governments.

The section makes it the continuing responsibility of the Federal Government to use all practicable means to improve and coordinate Federal plans, functions, programs, and resources to carry out the policy set forth in the bill, and it directs that all Federal laws, rules, regulations, and policies shall be interpreted to give full force and effect to the Federal productivity policy.

DEFINITIONS

Section 104 provides that the terms "Center" and "Board" as used in the bill mean the National Center for Productivity and Quality of Working Life and the Center's Board of Directors, respectively.

It also provides that the terms "productivity growth" and "improved productivity" shall be interpreted to mean, but not be limited to, improvements in technology, management techniques, and the quality of working life. In other words, when the bill speaks of improving productivity growth, it means improvements in all the various factors which affect productivity. Technology, management techniques, and quality of working life considerations are three of these, but they are by no means the only factors to be considered in a Federal effort to improve productivity. By including these three specific factors, the committee does not mean to imply that they should be treated equally or to the exclusion of other factors.

Section 104 also directs that the term "quality of working life" shall be interpreted to mean "the conditions of work relating to the role of the worker in the production process." As explained above in the discussion of the quality of working life, the term refers to the worker, his training, experience, job conditions, and his role in production at his place of employment. For the purposes of this bill, it is not meant to include conditions beyond the actual workplace.

TITLE II—NATIONAL CENTER FOR PRODUCTIVITY AND
QUALITY OF WORKING LIFE ESTABLISHED

Section 201 establishes the National Center for Productivity and Quality of Working Life as an independent establishment of the executive branch.

BOARD OF DIRECTORS

Section 202 provides that the Center shall have a Board of Directors to be comprised of not more than 25 members, as follows:

- (1) a Chairman;
- (2) the Secretary of the Treasury;
- (3) the Secretary of Commerce;
- (4) the Secretary of Labor;
- (5) the Director of the Federal Mediation and Conciliation Service;
- (6) the Executive Director of the Center;
- (7) not less than 3 members from among qualified private individuals in manufacturing and service industries;
- (8) not less than 5 members from among qualified private individuals from labor organizations;
- (9) not less than 2 members from among qualified individuals in State or local governments;
- (10) not less than one member from among the general public;
- (11) not less than one member from qualified individuals associated with leading institutions of higher education; and
- (12) such other qualified members from the public or private sectors of the economy whom the President may deem appropriate.

All of the Board members shall be appointed by the President, and unless they are the Vice President of the United States or a Federal official whose appointment was subject to Senate confirmation, their appointments shall be made by and with the advice and consent of the Senate.

If a member who is a Secretary of a Federal department or the Director of the Federal Mediation and Conciliation Service is unable to attend a meeting of the Board—or of the executive committee if he is a member of that body—he shall appoint an appropriate alternate from within his department or agency to represent him at the meeting.

The private members of the Board shall serve for terms of 4 years, coterminous with the term of the President. No member shall serve in an acting or temporary capacity for a period in excess of 3 months.

The Chairman of the Board also shall serve a term of 4 years, coterminous with that of the President. The Secretaries and the Director of FMCS shall serve on the Board as long as they are head of the department or agency represented on the Board.

Members of the Board who are not Federal officials will be compensated at the daily rate provided for GS-18 for each day they are engaged in duties as members. All members will be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties as members of the Board.

The Chairman of the Board shall appoint an executive committee of not more than 7 members, including the Executive Director of the Center, which shall meet at least every 90 days.

EXECUTIVE DIRECTOR

Section 203 provides that the Center shall have an Executive Director, who shall be responsible for the exercise of all powers and the discharge of all duties of the Center. The Executive Director shall be appointed by the President, subject to Senate confirmation, without regard to political affiliation and solely on the basis of fitness to perform the duties and functions of the office. He will be compensated at a rate not to exceed Executive level IV (\$38,000 under present law), and shall have no other employment during his tenure in office.

FUNCTIONS OF THE CENTER

Section 204 sets forth the functions of the Center. Among these are:

- (1) to develop and establish a national policy for the growth of productivity;
- (2) to seek, stimulate, and encourage maximum active participation of all sectors of the economy in efforts to improve the rate of productivity growth;
- (3) to seek, stimulate, and encourage selected research and demonstration programs implemented by public agencies and qualified private organizations which will increase the rate of productivity growth, and develop, refine, and apply accurate and reliable measurement techniques to evaluate changes in productivity;

(4) to identify, study, and review existing Federal, State, and local statutes, regulations, and fiscal policies which impede productivity growth or the effective economic performance of the public and private sectors of the United States; incentives to encourage industry and labor initiatives in the development of methods, techniques, and systems for the improved utilization of technological and human resources; existing and new programs, plans, and other methods designed to counteract threats to job security as a result of productivity improvement efforts; the impact of public personnel policies, statutes, and regulations affecting the productivity of public agencies; and the need and feasibility of providing various Center services to potential users in return for payment to the Center;

(5) to recommend to the President, Congress, the appropriate agencies and departments, and State and local governments, any revisions of regulations, policies, practices, and procedures which will result in improved productivity growth;

(6) to encourage cooperation between labor and management in the achievement of continued productivity growth, but not to become involved in activities pertaining to issues which are the proper subjects for bargaining both by tradition and by labor-management agreements without the consent and cooperation of the parties to such agreements;

(7) to encourage Federal agencies to initiate, stimulate, and support efforts inside and outside the Government to improve productivity growth;

(8) to coordinate efforts to eliminate interagency duplication of effort and cost, and to maximize the effectiveness of all Federal programs and activities which affect productivity growth, and to consult with other Federal agencies prior to the obligation and expenditure of funds for activities and projects in both the public and private sectors to improve productivity growth;

(9) to support activities in the various Federal agencies for measuring productivity within these agencies;

(10) to collect and disseminate relevant information obtained by the Center or by other public agencies, institutions of higher learning, or private organizations pertaining to productivity growth, and to develop and implement a public information program designed to inform the public of the meaning and importance of productivity and the quality of working life;

(11) to maintain liaison with organizations, both domestic and foreign, involved in efforts to increase productivity; and

(12) to determine the Nation's needs for productivity-related management and analytical skills and to encourage and facilitate the development of training programs in such skills.

POWERS OF THE CENTER

Section 205 enumerates the powers of the Center in carrying out its functions. It authorizes the Center to enter into contracts or other funding arrangements in order to carry out the provisions of the bill; to organize and conduct conferences, meetings, seminars, workshops, or other forums for the presentation and dissemination of relevant

information generated or collected pursuant to the provisions of the bill; to make studies and recommendations to the President and Congress; to implement a program and secure necessary facilities for the collection, collation, analysis, and interpretation of data and information in order to carry out its public information functions; and to undertake other studies, reviews, activities, and make such recommendations and reports as may be required to carry out its functions.

FUNDING CONDITIONS

Section 206 sets forth the conditions for contracts and other funding arrangements. Under these conditions, a participating party must agree that all information relating to any innovation or achievement generated in the course of any Center-funded demonstration programs shall be public information. The purpose of this section is to insure that work funded by the Center will be applicable to a broad range of users and not just to one particular plant or industry. No contract or other funding arrangement shall be entered into unless it is consistent with the policies and purposes of the bill.

FUNDING CRITERIA

Section 207 sets forth criteria for contracts and other funding arrangements. For the most part, the Center shall prescribe the criteria by regulation, after consultation with appropriate agencies and officials of Federal, State, and local governments.

ANNUAL REPORT

Section 208 requires that not later than December 31 of each year the Center shall report to the President and to the Congress on its activities. These annual reports shall include such recommendations as the Center deems appropriate. They also shall include an analysis of the extent to which each Federal agency which has significant responsibilities for assisting in the improvement of productivity is carrying out those responsibilities. This analysis shall include an accounting of all funds expended or obligated by such agencies for activities and projects to improve productivity growth, an assessment of the extent to which these expenditures have furthered the policies of the Center, and the Center's recommendations on how these funds can be better coordinated to accomplish the purposes of the bill.

TITLE III—FEDERAL AGENCY ASSISTANCE LIAISON WITH CENTER

Section 301 requires each Federal agency to designate an individual to serve as liaison with the Center and to assist the Center in carrying out its functions pursuant to the Act. They also are required to keep the Center currently informed about their productivity-related activities and to consult with the Center prior to the obligation or expenditure of funds for activities or projects to improve productivity growth. Each department, agency, and independent establishment also is directed to furnish the Center access to all relevant materials and information it requires to carry out its functions.

INTERNAL REVIEW

Section 302 requires each Federal agency and independent establishment of the Government, in coordination with the Center, to study and review the promulgation and implementation of its statutory authority, policies, and regulations. Each agency shall identify such statutes, policies, and regulations which inhibit or impair productivity growth in the public or private sectors, and shall recommend to the President and to the Congress—or implement where appropriate—alternatives which will contribute to the achievement of the purposes of the bill.

SUPPORT OF EXTERNAL ACTIVITIES

Section 303 directs each Federal agency, in coordination with the Center, to extend appropriate assistance to activities outside the Government designed to maintain, promote, and enhance sustained growth in productivity.

INTERNAL PRODUCTIVITY

Section 304 directs each Federal agency to improve its own internal productivity.

EFFECT ON PRIOR PROVISIONS

Section 305 provides that nothing in the Act shall affect any specific statutory obligation of any Federal agency (1) to coordinate or consult with any other Federal or State agency or (2) to act, or to refrain from acting, contingent upon the recommendations or certification of any other Federal or State agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

Section 401 provides certain technical administrative provisions to enable the Center to prescribe such regulations as are deemed necessary to carry out the purposes of the bill, to receive money and other property donated for the use of the Center, and to appoint and fix the compensation of its staff. The Center would also be authorized to establish task forces to assist and advise it in the performance of its functions.

TITLE V—EVALUATION BY THE COMPTROLLER GENERAL

Section 501 requires the Comptroller General to audit, review, and evaluate the implementation of the provisions of the bill by the Center. Not less than 30 months nor more than 36 months after the date of enactment, the Comptroller General shall report to Congress the results of his evaluation, which shall contain an evaluation of the effectiveness of the Center's activities, the effect of the Center's activities on the efficiency and effectiveness of other Federal agencies, and his recommendations for improving the implementation of the objectives of the bill.

TITLE VI—REPEAL AND TRANSFER

Section 601 repeals section 4 of Public Law 92-210, and Public Law 93-311, which established the National Commission on Productivity and Work Quality.

TRANSFER OF FUNCTIONS AND STAFF

Section 602 provides that the functions and staff of the National Commission on Productivity and Work Quality are to be transferred to the National Center for Productivity and Quality of Working Life. All property, records, and contracts as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the National Commission on Productivity and Work Quality are to be transferred to the Center.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS

Section 701 provides an authorization of \$6.25 million for fiscal year 1976 and the 3-month transition period thereafter (of which \$1.25 million is intended for the transition period), and \$5 million for each of the fiscal years 1977 and 1978. Funds appropriated for any fiscal year shall remain available for obligation until expended.

COST ESTIMATE

The committee estimates that the total cost of this bill will amount to approximately \$16.25 million over the next 3 years, assuming that the full amount authorized is appropriated and expended. The existing National Commission on Productivity and Work Quality is operating on a budget of \$2 million. Since these funds will be incorporated into the Center's budget, this bill will result in additional Federal expenditures of not more than \$10.25 million over the next 3 years.

CHANGES IN EXISTING LAW

The original bill reported by the committee does not amend existing law. However, it does repeal section 4 of Public Law 92-210, and Public Law 93-311, relating to the National Commission on Productivity and Work Quality. It is the opinion of the committee that it is necessary to dispense with the requirements of paragraph 4, rule XXIX of the Standing Rules of the Senate in order to expedite the business of the Senate.

ROLLCALL VOTE

In compliance with section 133 of the Legislative Reorganization Act of 1946, as amended, rollcall votes taken during committee consideration of this legislation are as follows:

FINAL PASSAGE: Ordered reported: 9 yeas—0 nays.

Yeas:

Mr. Ribicoff
Mr. Chiles
Mr. Nunn
Mr. Glenn
Mr. Percy
Mr. Javits
Mr. Roth
Mr. Brock
Mr. Weicker

Nays:

None

(Proxy)
Mr. Muskie

TEXT OF S. 2195 AS REPORTED

A BILL To establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes

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 "National Productivity and Quality of Working Life Act of 1975".

TITLE I—FINDINGS, PURPOSE, AND POLICY;
DEFINITIONS

SEC. 101. The Congress finds that—

- (1) the rate of productivity growth in the United States has declined during four of the past six years;
- (2) the decline in the rate of productivity growth has contributed to inflation, to economic stagnation, and to increasing unemployment;
- (3) since 1965, the rate of productivity growth of the United States has been consistently lower than that of many industrial nations in the world, adversely affecting the competitive position of the United States in world markets;
- (4) growth in productivity of the economy of the United States is essential to the social and economic welfare of the American people, and to the health of the world economy;
- (5) growth in the productivity of the Nation's economy is essential to maintain and increase employment, to stabilize the cost of living and to provide job security;
- (6) mounting worldwide materials shortages and their consequent inflationary results make increased efficiency in the utilization of these resources of urgent importance;
- (7) sharing fruits of productivity gains among labor, management, and owners may considerably influence productivity;
- (8) the continued development of joint labor-management efforts to provide a healthy environment for collective bargaining can make a significant contribution to improve productivity and foster industrial peace;
- (9) factors affecting the growth of productivity in the economy include not only the status of technology and the techniques of management but also the role of the worker in the production process and the conditions of his working life;
- (10) there is a national need to identify and encourage appropriate application of capital in sectors of American economic activity in order to improve productivity;
- (11) there is a national need to identify and encourage appropriate application of technology in all sectors of American economic activity in order to improve productivity;

(12) there is a national need to identify and encourage the development of social, economic, scientific, business, labor, and governmental contributions to improve productivity growth, and increased economic effectiveness in the public and private sectors of the United States; which objectives can best be accomplished through maximizing private sector and State and local development of such contributions;

(13) there is a national need to identify, study, and revise or eliminate the laws, regulations, policies, and procedures which adversely affect productivity growth and the efficient functioning of the economy;

(14) there is a national need to increase employment security through such activities as manpower planning, skill-training and retraining of workers, internal work force adjustments to avoid worker displacement, assistance to workers facing or experiencing displacement, and all other public and private programs which seek to minimize the human costs of productivity improvement, thereby diminishing resistance to workplace change and improving productivity growth;

(15) there is a national need to develop new technologies for the more effective production of goods and services;

(16) there is a national need to encourage and support efforts by qualified institutions of higher learning to identify and inaugurate programs which will improve productivity;

(17) there is a national need to develop precise standardized measurements of productivity; and

(18) there is a national need to gather and disseminate information about methods and techniques to improve productivity.

STATEMENT OF PURPOSE

SEC. 102. It is the purpose of this Act—

(1) to establish a national policy which will encourage productivity growth consistent with needs of the economy, the natural environment, and the needs, rights, and best interests of management, the work force, and consumers; and

(2) to establish as an independent establishment of the executive branch a National Center for Productivity and Quality of Working Life to focus, coordinate, and promote efforts to improve the rate of productivity growth.

POLICY

SEC. 103. (a) The Congress, recognizing the profound impact of productivity on the interrelations of all components of the national economy, declares that it is the continuing policy of the Federal Government, in cooperation with State and local governments, to use all practicable means and measures, including financial and technical assistance, to stimulate a high rate of productivity growth.

(b) It is the continuing responsibility of the Federal Government to use all practicable means to improve and coordinate Federal plans,

functions, programs, and resources to carry out the policy set forth in this Act.

(c) The laws, rules, regulations, and policies of the United States shall be so interpreted as to give full force and effect to this policy.

DEFINITIONS

SEC. 104. For the purposes of this Act—

(1) the term "Center" means the National Center for Productivity and Quality of Working Life;

(2) the term "Board" means the Board of Directors of the Center;

(3) the terms "productivity growth" and "improved productivity" shall be interpreted to include, but not be limited to, improvements in technology, management techniques, and the quality of working life; and

(4) the term "quality of working life" shall be interpreted to mean the conditions of work relating to the role of the worker in the production process.

TITLE II—NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE ESTABLISHED

SEC. 201. There is hereby established as an independent establishment of the executive branch of the Government the National Center for Productivity and Quality of Working Life.

BOARD OF DIRECTORS

SEC. 202. (a) The Center shall have a Board of Directors, to be comprised of not more than twenty-five members, as follows:

(1) a Chairman, appointed by the President, by and with the advice and consent of the Senate;

(2) the Secretary of the Treasury;

(3) the Secretary of Commerce;

(4) the Secretary of Labor;

(5) the Director of the Federal Mediation and Conciliation Service;

(6) the Executive Director of the Center;

(7) not less than three members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified private individuals in manufacturing and service industries;

(8) not less than five members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified private individuals from labor organizations;

(9) not less than two members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified individuals in State or local governments;

(10) not less than one member who shall be appointed by the President, by and with the advice and consent of the Senate, from among the general public;

(11) not less than one member who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified individuals associated with leading institutions of higher education; and

(12) such other qualified members from the public or private sectors whom the President may deem appropriate who shall be appointed by the President, by and with the advice and consent of the Senate.

When unable to attend a meeting of the Board, a member appointed under clauses (2), (3), (4), and (5) shall appoint an appropriate alternate from such member's Department or agency to represent such member at that meeting.

(b) (1) The members of the Board appointed under clauses (7), (8), (9), (10), (11), and any private sector members appointed pursuant to clause (12) of subsection (a) shall be appointed for a four-year term coterminous with the term of the President. Members other than members appointed under such clauses, with the exception of the Chairman, shall serve as long as such member is head of the department or agency represented on the Board. No person shall serve as an acting or temporary member in positions requiring Senate confirmation including that of Chairman, for a period in excess of three months.

(2) The President shall appoint a Chairman for a term of four years coterminous with the term of the President. In appointing a Chairman, the President may appoint an individual who is an officer of the United States. If that officer has been appointed to his current position, by and with the advice and consent of the Senate, or if such individual is the Vice President of the United States, such individual may be appointed chairman by the President without the requirement of confirmation by the Senate.

(c) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of that term.

(d) (1) Each member of the Board appointed under clauses (7), (8), (9), (10), (11), and any private sector members appointed pursuant to clause (12) of subsection (a) may be compensated at the daily rate provided for GS-18 of the General Schedule under section 5332 of title 5, United States Code, including travel time, for each day such member is engaged in the performance of his duties as a member of the Board and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in carrying out the functions of the Board.

(2) Other members of the Board, with the exception of the Chairman, and the Executive Director of the Center shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Board.

(3) The Chairman shall be compensated as set forth in paragraph (1) of this subsection, except if the Chairman holds some other position in the Federal Government such individual shall be compensated as set forth in paragraph (2) of this subsection.

(e) (1) The Chairman shall appoint an Executive Committee of the Board, not to exceed seven members, including the executive director of the Center.

(2) the Executive Committee of the Board shall meet at the call of the Chairman, but in no case less frequently than once every ninety days.

EXECUTIVE DIRECTOR; DEPUTY DIRECTOR

SEC. 203. (a) The Center shall have an Executive Director, who shall be appointed by the President by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of fitness to perform the duties and functions of the office. No person shall serve as acting or temporary Executive Director for a period in excess of three months.

(b) The Executive Director shall appoint a Deputy Director, who shall perform such functions as the Executive Director may prescribe. The Deputy Director shall act for and exercise the powers of the Executive Director during the absence or disability of the Executive Director.

(c) The Executive Director shall be responsible for the exercise of all powers and the discharge of all duties of the Center. The Executive Director shall have authority over and control of all of the staff of the Center and their activities. The Executive Director shall maintain budgets and allocate available funds as appropriate in carrying out the provisions of this Act.

(e) The Executive Director shall be compensated at a rate not to exceed that provided for Executive level IV under section 5315 of title 5 of the United States Code as determined by the President, and shall have no other employment, public or private, during the tenure of his appointment.

FUNCTIONS OF THE CENTER

SEC. 204. The Center shall—

(1) develop and establish, in consultation with the appropriate communities of the Congress and with the appropriate departments and agencies of the executive branch, a national policy for productivity growth in the public and private sectors of the United States consistent with the purposes of this Act:

(2) seek, stimulate, and encourage maximum active participation of—

(A) the private sector of the Nation's economy, including labor organizations, associations and confederations, business enterprises and associations, institutions of higher education, foundations and other philanthropic organizations and research centers and institutes; and

(B) the public sector of the Nation's economy, including Federal, State, and local governments and agencies thereof, including institutions of higher education, in efforts to improve the rate of productivity growth in all sectors of the Nation's economy;

(3) seek, stimulate, and encourage maximum active participation of the public agencies and private organizations identified in clause (2) of this section through identification and encour-

agement of selected research and demonstration programs implemented by public agencies and qualified private organizations which will—

(A) increase the rate of productivity growth in the public and private sectors of the National economy through improved and innovative utilization of technological and human resources; and

(B) develop, refine, and apply accurate and reliable measurement techniques to evaluate changes in productivity;

(4) to identify, study, and review—

(A) existing Federal, State, and local statutes, regulations, and fiscal policies which adversely affect productivity growth or the economic performance of the public and private sectors of the United States;

(B) incentives to encourage industry and labor initiatives in the development of methods, techniques, and systems for the improved utilization of technological and human resources in the public and private sectors;

(C) existing and new programs, plans, and other methods, including advanced warning systems, retraining programs, retirement and separation programs, designed to counteract threats to job security which may result from efforts to improve productivity.

(D) jointly, with the Civil Service Commission, the impact of Federal personnel policies, statutes, and regulations affecting the productivity of Federal agencies and the quality of working life of Federal employees; and

(E) the need and feasibility of providing, directly to potential users, public or private, various Center services in return for payment to the Center, and methods by which charges for such services will be established;

(5) recommend to the President, the Congress, the appropriate agencies and departments of the Federal Government, and State and local governments, any legislation, revisions of regulations, policies, practices, and procedures which result from the activities carried out under clause (4) of this section:

(6) encourage, support, and initiate efforts in the public or private sector specifically designed to improve cooperation between labor and management in the achievement of continued productivity growth: *Provided, however,* That no activities of the Center involving consideration of issues included in labor-management agreements shall be undertaken without the consent and cooperation of the parties to that agreement;

(7) encourage departments and agencies of the Federal Government to initiate, stimulate, and support efforts in both the public and private sectors of the United States to improve the rate of productivity growth;

(8) coordinate all activities referred to in subsection (7) of this section in order to eliminate interagency duplication of effort and cost, to insure that Center activities will not unnecessarily conflict or overlap with such other activities, and to maximize the effectiveness of all such Federal programs and activities;

(9) coordinate and consult with the departments and agencies of the Federal Government in the obligation and expenditure of funds for activities and projects in both the public and private sectors to improve productivity growth;

(10) identify, develop, and support activities, programs, systems, and techniques, in the various departments and agencies of the Federal Government for measuring productivity growth within such departments and agencies;

(11) collect and disseminate relevant information obtained by the Center or other public agencies, institutions of higher education, or private organizations engaged in projects under this Act, including information related to new or improved methods, systems, technological developments, equipment, and devices to improve and stimulate productivity growth, and to develop and implement a public information program designed to inform the public of the meaning and importance of productivity, and productivity growth;

(12) encourage and coordinate the efforts of State and local governments, and institutions of higher education, to improve productivity;

(13) maintain liaison with organizations, both domestic and foreign, involved in efforts to improve productivity; and

(14) determine the Nation's needs for productivity-related management and analytical skills and to encourage and facilitate the development of training programs in such skills.

POWERS

SEC. 205. In carrying out its functions, the Center is authorized—

(1) to enter into contracts or other funding arrangements, or modifications thereof, in order to carry out the provisions of this Act;

(2) to organize and conduct, directly by contract or other funding arrangements with other public agencies or private organizations, conferences, meetings, seminars, workshops, or other forums for the presentation and dissemination of relevant information generated or collected pursuant to the provisions of this Act;

(3) to make such studies and recommendations to the President and to Congress as may be necessary to carry out the functions of the Center;

(4) to implement a program and secure necessary facilities for the collection, collation, analysis, and interpretation of data and information as required in order to carry out the public information functions under this Act; and

(5) to undertake such other studies, reviews, activities, and to make such recommendations and reports as may be required to carry out the functions of the Center.

CONTRACTS AND OTHER FUNDING ARRANGEMENTS—CONDITIONS

SEC. 206. (a) No contracts or other funding arrangements may be entered into under this Act unless—

(1) such contracts or other funding arrangements will be consistent with the policies and purposes of this Act and of potential benefit to other users in the public or private sectors;

(2) provisions are made to evaluate the demonstration program and maintain improvement data, such evaluation either to be implemented by the participating parties in accordance with specifications established by the Center, or to be implemented by or on behalf of the Center; and

(3) the participating parties agree that all information relating to any innovation or achievement generated in the course of any Center-funded demonstration program shall be public information.

(b) No contract or other funding arrangement shall be made or entered into pursuant to the provisions of this Act for a period of more than three years.

(c) Any non-Federal share of a project may be in cash or in kind, fairly evaluated, including, but not limited to, plant, equipment, or services.

CONTRACT AND OTHER FUNDING ARRANGEMENTS—CRITERIA

SEC. 207. (a) The Center shall prescribe by regulation, after consultation with appropriate agencies and officials of Federal, State, and local governments, basic criteria for the participating parties under this Act.

(b) If the Center determines, on the basis of information available to it during any fiscal year, that a portion of the funds provided to a participating party for that fiscal year will not be required by the party or will become available by virtue of the application of regulations established by the Center to govern noncompliance by a participating party, that portion shall be available for reallocation under this section.

(c) The Center shall by regulation prescribe the basic criteria for determination of noncompliance by participating parties including appropriate provisions for notice and hearing with respect to such determination.

ANNUAL REPORT

SEC. 208. (a) Not later than December 31 of each year, the Center shall report to the President and to the Congress on activities pursuant to the provision of this title during the preceding fiscal year; such reports shall include a detailed statement of all public and private funds received and expended together with such recommendations as the Center deems appropriate. Such report shall include an analysis

of the extent to which each agency of the Federal Government which has significant responsibilities for assisting in the improvement of productivity is carrying out such responsibilities consistent with the provisions of this Act, including (A) an accounting of all funds expended or obligated by such agencies for activities and projects to improve productivity growth, (B) an assessment of the extent to which such expenditures or obligations have furthered the policies of the Center, and (C) the Center's recommendations on how these expenditures and obligations can be better coordinated to accomplish the purposes of this Act.

(b) Each report required to be submitted to the Congress by this Act shall be referred to the standing committee or committees having jurisdiction over any part of the subject matter of the report.

TITLE III—FEDERAL AGENCY COORDINATION AND LIAISON WITH CENTER

Sec. 301. (a) Each department, agency, and independent establishment of the Federal Government shall designate a qualified individual to serve as liaison with the Center and to assist the Center in carrying out its functions pursuant to this Act.

(b) Each department, agency, and independent establishment of the Federal Government shall keep the Center currently informed of its programs, policies, and initiatives to improve productivity which relate to the responsibilities of the Center, and shall consult with the Center prior to the obligation or expenditure of funds for activities or projects to improve productivity growth.

(c) Each Federal department, agency, and independent establishment of the Federal Government is authorized and directed to furnish or allow access to all relevant materials and information required by the Center to carry out its functions under this Act.

INTERNAL REVIEW

Sec. 302. Each department, agency, and independent establishment of the Federal Government, in coordination with the Center, shall study and review the promulgation and implementation of its statutory authority, policies, and regulations, and shall identify such statutes, policies, and regulations which adversely affect productivity growth in the public or private sectors of the United States, or those which impede the efficient functioning of the Nation's economy, and shall recommend to the President and the Congress, or implement where appropriate, alternative statutes, policies, and regulations which will contribute to the achievement of the purposes of this Act.

SUPPORT OF EXTERNAL ACTIVITIES

Sec. 303. Each department, agency, and independent establishment of the Federal Government, in coordination with the Center, shall, to the extent appropriate, make available to State and local governments, labor organizations, industry, public institutions, and other qualified

organizations advice, information, and support, including financial and other assistance, designed to maintain, promote, and enhance sustained productivity growth in the public and private sectors of the United States.

INTERNAL PRODUCTIVITY

Sec. 304. Each department, agency, and independent establishment of the Federal Government shall identify, develop, initiate, and support appropriate programs, systems, procedures, policies, and techniques to improve the productivity of such departments and agencies, including the implementation, where desirable, of specific programs recommended, supported, or implemented by the Center.

EFFECT ON PRIOR PROVISIONS

Sec. 305. Nothing in this title affects any specific statutory obligation of any Federal agency (1) to coordinate or consult with any other Federal or State agency or (2) to act, or to refrain from acting, contingent upon the recommendations or certification of any other Federal or State agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

Sec. 401. The Executive Director is authorized to—

(1) prescribe such regulations as are deemed necessary to carry out the purposes of this Act;

(2) receive money and other property donated, bequeathed, or devised, or remitted in payment for services rendered, without condition or restriction other than that it be for the purposes of the Center;

(3) receive (and use, sell, or otherwise dispose of, in accordance with clause (2)) money or other property donated, bequeathed, or devised to the Center, except for such money and other property which includes a condition that the Center use other funds of the Center for the purpose of the gift, in which case two-thirds of the members of the Board of the Center must approve such donations;

(4) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of the Act in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(5) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code;

(6) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5708 of title 5, United States Code;

(7) utilize, on a reimbursable or nonreimbursable basis the services, equipment, personnel, and facilities of any other department or agency of the United States;

(8) establish one or more task forces to assist and advise the Center, composed of individuals who, by reason of experience, are qualified for such service. Each member of any such task force who is not an officer or employee of the Federal Government may receive an amount not to exceed the maximum daily rate prescribed for GS-18 under section 5532 of title 5, United States Code, for each day such individual is engaged in the actual performance of duties (including traveltime) as a member of such a task force. Members may be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties; and

(9) make advances, progress, and other payments deemed necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (21 U.S.C. 529).

TITLE V—EVALUATION BY THE COMPTROLLER GENERAL

SEC. 501. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act by the Center.

(b) Not less than thirty months nor more than thirty-six months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a) which shall contain, but not be limited to, the following:

- (1) an evaluation of the effectiveness of the Center's activities;
- (2) an evaluation of the effect of the activities of the Center on the efficiency, and effectiveness, of affected Federal agencies in carrying out their assigned functions and duties under this Act; and
- (3) recommendations concerning any legislation he deems necessary, and the reasons therefore, for improving the implementation of the objectives of this Act as set forth in section 102.

TITLE VI—REPEAL AND TRANSFER

REPEAL OF PUBLIC LAWS 92-210 AND 93-311

SEC. 601. Section 4 of Public Law 92-210, and Public Law 93-311, relating to the National Commission on Productivity and Work Quality, are repealed.

TRANSFER OF FUNCTIONS AND STAFF

SEC. 602. (a) The functions and staff of the National Commission on Productivity and Work Quality are hereby transferred to the Center.

(b) All property, records, and contracts as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred by subsection (a) are transferred to the Center.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There are authorized to be appropriate to carry out the purposes of this Act, not to exceed \$6,250,000 for the fiscal year ending June 30, 1976, and the subsequent transition period ending September 30, 1976; not to exceed \$5,000,000 for the fiscal year ending September 30, 1977; and not to exceed \$5,000,000 for the fiscal year ending September 30, 1978. Funds appropriated for any fiscal year shall remain available for obligation until expended.

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NATIONAL PRODUCTIVITY AND QUALITY OF WORKING
LIFE ACT OF 1975

OCTOBER 8, 1975.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

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

R E P O R T

[To accompany S. 2195]

The Committee on Banking, Currency, and Housing, to whom was referred the bill (S. 2195) to establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 7, line 3, strike out "twenty-five" and insert "twenty-seven".

Page 7, line 13, strike out "three" and insert "five".

Page 14; beginning in line 19, strike out "in labor-management agreements" and insert "in a specific labor-management agreement".

EXPLANATION OF THE COMMITTEE AMENDMENTS

The committee amended the Productivity board membership by increasing it to 27 and raising the number of representatives of industry and commerce from three to five to provide balance between the number of members from that sector of the economy and the labor sector.

The second amendment was to section 204 of the bill.

Section 204 of the bill sets forth the functions that the Center shall undertake and subsection (6) to which this amendment applies stipulates that the Center shall "encourage, support, and initiate efforts in the public or private sector specifically designed to improve co-

operation between labor and management in the achievement of continued productivity growth". The proviso which we would amend provides that no activities of the Center involving consideration of issues included in labor-management agreements shall be undertaken without the consent and cooperation of the parties to that specific agreement.

This amendment is more or less technical but we think it is important to clarify the role of the Center. We do not propose that those issues not be considered by the Center but that when they may impinge on a specific bargaining relationship the parties affected have the opportunity to control that input.

PURPOSE

The purpose of the National Productivity and Quality of Working Life Act of 1975 is to establish a national policy to encourage productivity growth in all sectors of the economy and to create an independent National Center for Productivity and Quality of Working Life to focus, coordinate, and promote efforts to improve the rate of national productivity growth.

HISTORY OF THE LEGISLATION

This legislation is the outgrowth of efforts which began with the consideration of H.R. 6078 and H.R. 8836. H.R. 6078 was introduced by request of the administration by Congressmen Ashley and McKinney. H.R. 8836 was introduced by Congressmen Ashley, Blanchard, Hubbard, LaFalce, Rees, Congresswoman Spellman, Congressmen Evans of Indiana, Reuss, McKinney, J. William Stanton, Schulze, Gradison and Kelly following hearings held by the Subcommittee on Economic Stabilization on April 25, 29, and May 8, 1975, and subsequent subcommittee executive session on July 18, 1975. The full committee met on October 2, 1975, at which time S. 2195, passed by the Senate September 4, was considered in lieu of H.R. 8836 by unanimous consent. The Committee on Banking, Currency and Housing unanimously ordered the bill, S. 2195, reported on that date with amendments, by voice vote.

BACKGROUND

One of the Nation's most important and least understood economic problems during the past decade has been a declining rate of productivity growth. It is important because increases in our standard of living are dependent to a large extent on increases in our national productivity. Unless productivity grows, any increases in income will be absorbed by higher prices. Therefore, improving our productivity growth rate can be instrumental in controlling the spiraling rate of inflation that has gripped our national economy. According to statistics compiled by the Bureau of Labor Statistics, output per man-hour in the private economy in the United States grew at an average annual rate of 3.2 percent from 1947 to 1966; however, from 1966 to the present the rate has dropped to 1.9 percent.

The rate of decline has been even more pronounced during the past 2 years. As measured by BLS, output per man-hour began a steady decline early in 1973 and has continued from quarter to quarter, with some hesitation, until very recently. By the fourth quarter of 1974, output per man-hour was down 4.2 percent from the first quarter of 1973. Productivity in the key U.S. manufacturing sector has remained virtually unchanged over the past year.

By comparison, productivity in the major industrial countries abroad continued to increase. From 1973 to 1974, output per man-hour in manufacturing rose more than 3.1 percent in Japan, 3.4 percent in France, and 2.9 percent in West Germany.

While the recent economic recession has had considerable short-term effects on productivity, the steady decline in productivity growth since 1966 reflects long-term causes in addition to transitory economic cycles. Economists identify some of these long-term causes as (1) changes in the productivity of component sectors and industries and shifts in the relative importance of sectors; (2) changes in the composition of the labor force to more younger workers and more female workers; (3) shifts in the overall economy away from manufacturing to service-oriented industries; (4) changes in the ratio of capital to labor; and (5) the adverse effect of some Federal and State laws, regulations, and policies.

In addition to these causes, productivity growth has been affected by two new scarcities: raw materials and energy. Therefore, long-term improvements in productivity will depend on the development of new technologies as well as finding solutions to the long-term causes. A concerted national effort to reverse the decline in productivity growth in the American economy must be addressed specifically to improvements in technology, management techniques, capital formation, education and training of workers, labor-management relations, and government regulation, among other factors.

The operation of the American economy is a combination of effort, both physical and mental, by individuals at all stages of the production process. Any effort to improve the economy's performance—in other words, to raise productivity—cannot afford to neglect any aspect of this production process.

THE QUALITY OF WORKING LIFE

An important element in any program to accelerate productivity growth must involve the worker's contribution, his education, training, experience, attitude and the conditions at his workplace. In any program for productivity improvement the worker must be provided the necessary support in the form of equipment, tools, training, and conditions on his job that will enable him to make his maximum contribution to the economy.

Recently, renewed attention has been given to proposals and projects for improving what is known as the quality of working life—namely, those factors which affect the worker's attitude and his output on the job. There have been a variety of programs, many developed through union-management negotiations, which have been

pointing towards changes in this general area. One example is the steel industry where since 1971 the major basic steel companies and the United Steelworkers of America have established joint advisory committees at each major steel plant to devise ways of improving productivity and promoting the use of steel produced in the United States. The 1974 agreement states that:

... The future for the industry in terms of employment security and return on substantial capital expenditures will rest heavily upon the ability of the parties to work cooperatively to achieve significantly higher productivity trends than have occurred in the recent past.

A joint labor-management memorandum lists the following topics for consideration by these individual plant committees:

- Maximizing use of production time and facilities;
- Reducing equipment breakdowns and delays;
- Improving quality;
- Reducing need for reprocessing products;
- Eliminating waste of materials, supplies and equipment;
- Reducing excessive overtime;
- Boosting employee morale;
- Improving safety experience; and

Focusing employee awareness on the problems of productivity and those posed by the threat of foreign competition.

In other situations different approaches have been made. Upon the initiative of management, often with the cooperation of the union representing the employees, new systems of work organization have been developed in a number of new or reorganized plants. Some of these have been directed toward simplifying an individual task in order to relieve the worker of a burdensome job. In others, the effort has been to add more varied or demanding tasks to particular jobs in order to make them more challenging to the individual worker. In both types of situation, these efforts have not only led to improved worker attitude on the job but also to improved productivity performance.

The committee feels that efforts of this type which focus on the worker, his training, experience, job conditions, and his role in production, can be an important ingredient in improving the productivity of the economy as a whole. These issues, summarized in the phrase "quality of working life," therefore, form an important aspect of this proposed legislation.

HISTORY OF THE FEDERAL PRODUCTIVITY EFFORT

The Federal Government's effort to improve productivity in the economy as a whole has been centered in the National Commission on Productivity and Work Quality, although several agencies are engaged in activities and projects related to productivity improvements.

The Commission was given legislative recognition in the Economic Stabilization Act Amendments of 1971 (Public Law 92-210), which authorized wage and price controls. However, the Commission experienced organizational and funding problems. In 1974 Congress passed P.L. 93-311, which changed the name to the Commission on

Productivity and Work Quality and clarified its mandate in an attempt to remedy its problems. However, the Commission continued to be hampered in its operations by year-to-year authorizations, poor funding, and frequently changing leadership.

The Federal Government's effort to improve the productivity of its own agencies has been centered in the Joint Financial Management Improvement Program, which was given responsibility for a continuing Federal Productivity Program by the Director of the Office of Management and Budget in 1973. The JFMIP is a joint and cooperative undertaking by OMB, the General Accounting Office, the Treasury Department, the General Services Administration, and the Civil Services Commission. It was authorized by the Budget and Accounting Procedures Act of 1950.

NEED FOR A FEDERAL EFFORT

Any effort directed at improving productivity must incorporate the efforts of management, organized labor, institutions of higher education, State and local governments, and other organizations and individuals as well as the Federal Government. Improvements cannot be mandated; they must be brought about over a period of years with the efforts and cooperation of all segments of the national economy. The Federal Government can provide the leadership needed for such a concerted effort. However, this bill is not designed to force productivity improvements. It does provide a focal point for a national effort to improve America's rate of productivity growth in the form of an independent Federal agency whose role will be to coordinate and stimulate activities in all sectors of the economy to achieve this purpose. It also provides a Federal policy to improve productivity growth, and it directs each Federal agency to undertake certain actions to carry out that policy.

A FEDERAL POLICY TO STIMULATE PRODUCTIVITY GROWTH

Witnesses at the committee's hearings emphasized the need to establish a Federal policy to stimulate a high rate of productivity growth through the use of all practicable means and measures, and to require that the laws, rules, regulations, and policies of the United States be interpreted to carry out this policy. Accordingly, the bill provides for the establishment of such a policy, and it makes it the continuing responsibility of the Federal Government to use all practicable means to improve and coordinate Federal plans, functions, programs, and resources to achieve a high rate of productivity growth.

Much has been written about the effect of governmental regulation on the efficient working of the economy. The purpose of the committee in establishing a Federal productivity policy is to require each agency to assess the impact of its regulations, policies, and programs on national productivity growth.

In carrying out this Federal policy, each department, agency, and independent establishment of the Federal Government is directed by the bill to undertake certain prescribed actions, including an internal review of its statutory authority, policies, and regulations, and the

support of external activities aimed at increasing national productivity. Each agency also is directed to improve its own internal productivity.

NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE

The focal point for the Federal productivity effort will be the National Center for Productivity and Quality of Working Life, which will replace the existing National Commission on Productivity and Work Quality and absorb its functions and staff. Operating as an independent establishment of the executive branch, the Center will be directed to coordinate the efforts of the other Federal agencies to bring about improved productivity growth.

The Center will be responsible for developing an overall national productivity policy and for coordinating efforts by all Federal departments, agencies, and establishments to carry out the policy set forth for the Government. The Center will conduct an aggressive public education program, arrange or provide technical assistance, and generally stimulate efforts on the part of State and local governments and in the private sector of the economy.

As part of its duties, the Center will conduct studies, examinations and assessments; formulate recommendations for the President, Congress, and agency heads about how to improve productivity; and stimulate improvements by encouraging maximum active participation of labor organizations, associations and confederations, business enterprises and associations, institutions of higher education, foundations and other philanthropic organizations and research centers and institutes, and State and local governments.

The committee views the establishment of the National Center on Productivity and Quality of Working Life as a first step in the effort to increase productivity within the American work force in an effort to maintain our worldwide leadership in the production of goods and provision of services. The bill provides, for the first time, a single Federal agency which will coordinate the activities of other agencies to improve productivity. The committee anticipates that as the Center develops its coordinating functions it may well identify areas where the Federal Government should take a more active part in efforts to increase productivity in both the public and private sectors. The Center, then, is a means to the development of an effective national policy, and not an end. It may well be necessary and desirable to provide for the establishment of specific Federal programs for productivity improvement. The committee expects the Center will be an effective vehicle for such additional Federal programs in this area as may be provided for at a later date.

It is also expected that when the Center identifies the need for additional Federal programs in the area of productivity improvement that it will make such recommendations as may be appropriate for the establishment of such programs to the Congress or to various Federal agencies that might assist in their development.

ORGANIZATION OF THE CENTER

The bill provides that the Center will be an independent establishment of the executive branch. This status should enable the Center to deal on a more equal level with other Federal agencies in carrying out its coordinating role and to avoid one of the primary difficulties encountered by the National Commission on Productivity and Work Quality.

The Center will have a Board of Directors consisting of 27 persons, which will be responsible for rendering overall policy direction to the Center.

The Board will be headed by a Chairman, appointed by the President and subject to confirmation by the Senate unless he is the Vice President of the United States or a Federal official who holds an office subject to Senate confirmation.

The Secretaries of the Treasury, Commerce, and Labor, the Director of the Federal Mediation and Conciliation Service, and the Executive Director of the Center will serve on the Board of Directors. The other members, all appointed by the President and subject to confirmation by the Senate, will be as follows:

Not less than 5 members from among qualified private individuals in manufacturing and service industries;

Not less than 5 members from among qualified individuals from labor organizations;

Not less than 2 members from among qualified individuals in State or local governments;

Not less than one member from the general public;

Not less than one member from qualified individuals associated with leading institutions of higher education; and

Such other members as the President shall deem appropriate. For example, if the President should name the Secretary of the Treasury as Chairman of the Board of Directors, he could then make an appropriate appointment to occupy the position otherwise occupied by the Secretary.

By using the terms "qualified" and "appropriate" in the bill, the committee intends that the President appoint individuals who, by training or experience, have some knowledge or expertise that would be beneficial to a national effort to improve productivity growth. For example, industrial engineers are instrumental in the production processes in American industry, and one of their number would be an appropriate appointee.

The committee has two concerns regarding the establishment of a 27-person Board of Directors. First, such a large body may prove to be unwieldy and unable to meet frequently. Second, the members of the Board may be occupied with other duties and unable to devote the time required to the direction of the Center, especially if they are the heads of Federal departments or agencies. The bill meets these concerns by (1) directing the Chairman to appoint an executive committee of as many as 7 members, including the Executive Director of the Center,

to conduct the routine business of the Board; (2) requiring that the executive committee meet not less frequently than every 90 days; and (3) providing that the Secretaries of the Treasury, Commerce, and Labor, and the Director of the Federal Mediation and Conciliation Service shall appoint an appropriate alternate from their departments or agencies to attend Board meetings when they are unable to do so.

The committee also has been concerned over the past several years with the practice of filling Federal positions, which are subject to the confirmations process, with temporary appointees—thereby escaping review of the officeholders by the Senate and its committees. Therefore, the bill prohibits any person from serving in an acting or temporary capacity as a Board member or as Executive Director of the Center for a period in excess of 3 months.

Responsibility for the exercise of all powers and discharge of all duties of the Center will be vested in an Executive Director, who shall be appointed by the President, subject to Senate confirmation. The Executive Director shall be chosen without regard to political affiliation and solely on the basis of fitness to perform the duties of the position. He will be a member of the Board of Directors of the Center, from which he will receive policy direction for the operation of the Center and its staff.

FUNCTIONS OF THE CENTER

The Center will have a number of major functions.

First, it is to develop and establish, in consultation with the appropriate committees of Congress and the departments and agencies of the executive branch, a national policy for productivity growth.

Second, it is to encourage, stimulate and coordinate efforts in the private and public sectors of the economy to improve productivity growth, particularly on the part of labor organizations and confederations, business enterprises and associations, institutions of higher education, foundations and other philanthropic organizations and research centers and institutes, and State and local governments.

Third, it is to identify, study, and review existing Federal, State, and local statutes, regulations, and fiscal policies which adversely affect productivity growth. It is to recommend to the President, the Congress, and the appropriate Federal, State and local agencies any legislation, revisions of regulations, policies, practices and procedures necessary to remove any adverse effect on productivity that it finds during this review.

Fourth, it is to encourage, support, and initiate efforts in the public or private sector which are designed to improve cooperation between labor and management in the achievement of continued productivity growth. However, the Center will be restricted from engaging in activities involving consideration of issues which are included in labor-management agreements without the consent and cooperation of the parties to each agreement. The committee does not intend for the Center to become involved in the consideration of issues which are the proper subjects for bargaining, both by tradition and by labor-management agreements, without the consent and cooperation of all parties to those agreements.

Fifth, it is to serve as the coordinating body for efforts in and by the Federal Government to improve productivity growth both internally and in the economy as a whole. It is to encourage Federal departments and agencies to improve their own productivity and to initiate, stimulate and support efforts outside the Federal Government to improve productivity, and to coordinate these activities in order to eliminate duplication of effort and cost. The Center will coordinate and consult with other agencies prior to the obligation or expenditure of funds by those agencies for activities and projects to improve productivity growth. In the opinion of the committee, this is an important function, for several agencies—such as the National Science Foundation, the Economic Development Administration, the Civil Service Commission, and the Department of Labor—expend several millions of dollars annually on activities and projects designed to enhance productivity growth. Although the Center will not have authority over these other agencies' activities, the committee intends that it coordinate the expenditure of funds in order to give direction to the Federal effort and to eliminate duplication and waste. In this connection, the committee has been unable to determine precisely how much Federal money is spent each year on productivity-related projects. Therefore, the Center is directed to account for all such Federal expenditures in its annual report.

Sixth, the Center is to identify, develop, and support activities, programs, systems and techniques to measure productivity growth. This work should be designed to produce more accurate measurements of productivity, including the development of a uniform definition of the concept of productivity growth, and of productivity-related management and analytical skills.

Seventh, it is to collect and disseminate relevant information related to productivity improvements, and it is to develop and implement a public information program designed to inform the public of the meaning and importance of productivity growth. The committee has found that the public is generally unaware of the importance of productivity growth to a healthy economy, and that consequently Americans are unaware of the importance of their individual roles in improving national productivity. The dissemination of factual information should serve to eradicate this lack of understanding.

POWERS OF THE CENTER

In developing this legislation, the committee considered in some detail whether the Center should be empowered to enter into contracts and grants to support activities outside the Federal Government which would contribute to productivity growth. The committee decided that the Center should be empowered to enter into contracts and other funding arrangements to carry out the purposes of the legislation. However, neither the Center nor any party participating in a contract or other funding arrangement with it shall become involved in programs or projects involving consideration of issues which are the proper subjects for bargaining, both by tradition and by labor-management agreements, without the consent and cooperation of all parties to those agreements. The committee intends for the Center to

remain small and to concentrate its efforts on coordinating the activities of other Federal agencies, State and local governments, and public and private organizations and individuals. There is absolutely no intention on the part of the committee to create another large Federal bureaucracy.

On the other hand, there may be programs and projects for which the Center might deem it appropriate to enter into a contract or other funding arrangement, such as a special study or services connected with a conference, a meeting, or a workshop, or demonstration programs, which evidence a potential for the development of programs and techniques of productivity improvements, and which can serve as examples for similar efforts in other localities or industries. The Center, within its discretion, may enter into contracts or other funding arrangements in support of such programs or projects.

The Center also will be vested with such powers as are necessary to carry out its functions. These powers are enumerated in section 205 of the bill.

FEDERAL AGENCY COORDINATION

In order to involve the entire Federal Government in an effort to improve productivity, the bill requires each department, agency, and independent establishment to undertake certain activities, in coordination with the Center. Essentially, they are to:

Designate a qualified individual to serve as liaison with the Center and to assist the Center in carrying out its duties;

Keep the Center informed of their programs, policies, and initiatives to improve productivity, and consult with the Center prior to the obligation or expenditure of funds for activities or projects to improve productivity growth;

Furnish or allow access to all relevant materials and information required by the Center to carry out its functions;

Study and review the promulgation and implementation of its statutory authority, policies, and regulations and identify those which adversely effect productivity growth or impede the efficient operation of the national economy, and make appropriate recommendations as to how such adverse affects may be eradicated;

Make available advice, information, and support, including financial and other assistance, to State and local governments, labor organizations, industry, public institutions, and other qualified organizations in order to enhance sustained productivity growth; and

Improve their own internal productivity.

The provisions requiring Federal agency coordination are not meant to detract from the continuing Federal Productivity Program instituted by OMB in 1973 or from the efforts of the Joint Financial Management Improvement Program to improve the Government's internal productivity. The committee intends for these efforts to continue, with the Center playing a coordinating role.

REVIEW AND EVALUATION

While the bill creates the Center on a permanent basis, it provides authorization for appropriations for only 3 years. It also requires the

Comptroller General to evaluate the effectiveness of the Center's activities, the effect that the Center's activities have had on the operations of other Federal agencies, and to recommend any legislation necessary to improve the implementation of the objectives of the bill.

The Comptroller General is required to submit a report of his evaluation not less than 30 months but not more than 36 months after the effective date of the bill.

The committee feels that 3 years should be a sufficient period in which to analyze the performance and effectiveness of the Center. At the end of 3 years, funds for the Center must be reauthorized, and the appropriate committees of Congress will have an opportunity to reassess the need for a national productivity center at that time.

SECTION-BY-SECTION ANALYSIS OF THE BILL

TITLE I—FINDINGS, PURPOSE, AND POLICY; DEFINITIONS

Section 101 contains congressional findings relating to the declining rate of productivity growth. In general, the findings state that the Nation's productivity growth rate has declined since 1965, and that an increasing growth rate is essential to the social and economic welfare of the American people. The section also sets out several national needs which must be met in order to stimulate continued productivity growth.

STATEMENT OF PURPOSE

Section 102 states the purpose of the Act, which is to establish a national policy to encourage productivity growth consistent with the needs of the economy, the environment, and the needs, rights, and best interest of management, the work force and consumers; and to establish an independent National Center for Productivity and Quality of Working Life to focus, coordinate, and promote efforts to improve the rate of national productivity growth.

FEDERAL POLICY

Section 103 establishes a continuing policy of the Federal Government to use all practicable means and measures, including financial and technical assistance, to stimulate a high rate of productivity growth. This policy is to be carried out in cooperation with State and local governments.

The section makes it the continuing responsibility of the Federal Government to use all practicable means to improve and coordinate Federal plans, functions, programs, and resources to carry out the policy set forth in the bill, and it directs that all Federal laws, rules, regulations, and policies shall be interpreted to give full force and effect to the Federal productivity policy.

DEFINITIONS

Section 104 provides that the terms "Center" and "Board" as used in the bill mean the National Center for Productivity and Quality of Working Life and the Center's Board of Directors, respectively.

It also provides that the terms "productivity growth" and "improved productivity" shall be interpreted to mean, but not be limited to, improvements in technology, management techniques, and the quality of working life. In other words, when the bill speaks of improving productivity growth, it means improvements in all the various factors which affect productivity. Technology, management techniques, and quality of working life considerations are three of these, but they are by no means the only factors to be considered in a Federal effort to improve productivity. By including these three specific factors, the committee does not mean to imply that they should be treated equally or to the exclusion of other factors.

Section 104 also directs that the term "quality of working life" shall be interpreted to mean "the conditions of work relating to the role of the worker in the production process." As explained above in the discussion of the quality of working life, the term refers to the worker, his training, experience, job conditions, and his role in production at his place of employment. For the purposes of this bill, it is not meant to include conditions beyond the actual workplace.

TITLE II—NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE ESTABLISHED

Section 201 establishes the National Center for Productivity and Quality of Working Life as an independent establishment of the executive branch.

BOARD OF DIRECTORS

Section 202 provides that the Center shall have a Board of Directors to be comprised of not more than 27 members, as follows:

- (1) the Chairman;
- (2) the Secretary of the Treasury;
- (3) the Secretary of Commerce;
- (4) the Secretary of Labor;
- (5) the Director of the Federal Mediation and Conciliation Service;
- (6) the Executive Director of the Center;
- (7) not less than 5 members from among qualified private individuals in manufacturing and service industries;
- (8) not less than 5 members from among qualified private individuals from labor organizations;
- (9) not less than 2 members from among qualified individuals in State or local governments;
- (10) not less than one member from among the general public;
- (11) not less than one member from qualified individual associated with leading institutions of higher education; and
- (12) such other qualified members from the public or private sectors of the economy whom the President may deem appropriate.

All of the Board members shall be appointed by the President, and unless they are the Vice President of the United States or a Federal official whose appointment was subject to Senate confirmation, their appointments shall be made by and with the advice and consent of the Senate.

If a member who is a Secretary of a Federal department or the Director of the Federal Mediation and Conciliation Service is unable to attend a meeting of the Board—or of the executive committee if he is a member of that body—he shall appoint an appropriate alternate from within his department or agency to represent him at the meeting.

The private members of the Board shall serve for terms of 4 years, coterminous with the term of the President. No member shall serve in an acting or temporary capacity for a period in excess of 3 months.

The Chairman of the Board also shall serve a term of 4 years, coterminous with that of the President. The Secretaries and the Director of FMCS shall serve on the Board as long as they are head of the department or agency represented on the Board.

Members of the Board who are not Federal officials will be compensated at the daily rate provided for GS-18 for each day they are engaged in duties as members. All members will be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out their duties as members of the Board.

The Chairman of the Board shall appoint an executive committee of not more than seven members, including the Executive Director of the Center, which shall meet at least every 90 days.

EXECUTIVE DIRECTOR

Section 203 provides that the Center shall have an Executive Director, who shall be responsible for the exercise of all powers and the discharge of all duties of the Center. The Executive Director shall be appointed by the President, subject to Senate confirmation, without regard to political affiliation and solely on the basis of fitness to perform the duties and functions of the office. He will be compensated at a rate not to exceed Executive level IV (\$38,000 under present law), and shall have no other employment during his tenure in office.

FUNCTIONS OF THE CENTER

Section 204 sets forth the functions of the Center. Among these are:

- (1) to develop and establish a national policy for the growth of productivity;
- (2) to seek, stimulate, and encourage maximum active participation of all sectors of the economy in efforts to improve the rate of productivity growth;
- (3) to seek, stimulate, and encourage selected research and demonstration programs implemented by public agencies and qualified private organizations which will increase the rate of productivity growth, and develop, refine, and apply accurate and reliable measurement techniques to evaluate changes in productivity;
- (4) to identify, study, and review existing Federal, State, and local statutes, regulations, and fiscal policies which impede productivity growth or the effective economic performance of the public and private sectors of the United States; incentives to encourage industry and labor initiatives in the development of

methods, techniques, and systems for the improved utilization of technological and human resources; existing and new programs, plans, and other methods designed to counteract threats to job security as a result of productivity improvement efforts; the impact of public personnel policies, statutes, and regulations affecting the productivity of public agencies; and the need and feasibility of providing various Center services to potential users in return for payment to the Center;

(5) to recommend to the President, Congress, the appropriate agencies and departments, and State and local governments, any revisions of regulations, policies, practices, and procedures which will result in improved productivity growth;

(6) to encourage cooperation between labor and management in the achievement of continued productivity growth, but not to become involved in activities pertaining to issues which are the proper subjects for bargaining both by tradition and by a specific labor-management agreement without the consent and cooperation of the parties to such agreements;

(7) to encourage Federal agencies to initiate, stimulate, and support efforts inside and outside the Government to improve productivity growth;

(8) to coordinate efforts to eliminate interagency duplication of effort and cost, and to maximize the effectiveness of all Federal programs and activities which affect productivity growth, and to consult with other Federal agencies prior to the obligation and expenditure of funds for activities and projects in both the public and private sectors to improve productivity growth;

(9) to support activities in the various Federal agencies for measuring productivity within these agencies;

(10) to collect and disseminate relevant information obtained by the Center or by other public agencies, institutions of higher learning, or private organizations pertaining to productivity growth, and to develop and implement a public information program designed to inform the public of the meaning and importance of productivity and the quality of working life;

(11) to maintain liaison with organizations, both domestic and foreign, involved in efforts to increase productivity; and

(12) to determine the Nation's needs for productivity-related management and analytical skills and to encourage and facilitate the development of training programs in such skills.

POWERS OF THE CENTER

Section 305 enumerates the powers of the Center in carrying out its functions. It authorizes the Center to enter into contracts or other funding arrangements in order to carry out the provisions of the bill; to organize and conduct conferences, meetings, seminars, workshops, or other forums for the presentation and dissemination of relevant information generated or collected pursuant to the provisions of the

bill; to make studies and recommendations to the President and Congress; to implement a program and secure necessary facilities for the collection, collation, analysis, and interpretation of data and information in order to carry out its public information functions; and to undertake other studies, reviews, activities, and make such recommendations and reports as may be required to carry out its functions.

FUNDING CONDITIONS

Section 206 sets forth the conditions for contracts and other funding arrangements. Under these conditions, a participating party must agree that all information relating to any innovation or achievement generated in the course of any Center-funded demonstration programs shall be public information. The purpose of this section is to insure that work funded by the Center will be applicable to a broad range of users and not just to one particular plant or industry. No contract or other funding arrangement shall be entered into unless it is consistent with the policies and purposes of the bill.

FUNDING CRITERIA

Section 207 sets forth criteria for contracts and other funding arrangements. For the most part, the Center shall prescribe the criteria by regulation, after consultation with appropriate agencies and officials of Federal, State, and local governments.

ANNUAL REPORT

Section 208 requires that not later than December 31 of each year the Center shall report to the President and to the Congress on its activities. These annual reports shall include such recommendations as the Center deems appropriate. They also shall include an analysis of the extent to which each Federal agency which has significant responsibilities for assisting in the improvement of productivity is carrying out those responsibilities. This analysis shall include an accounting of all funds expended or obligated by such agencies for activities and projects to improve productivity growth, an assessment of the extent to which these expenditures have furthered the policies of the Center, and the Center's recommendations on how these funds can be better coordinated to accomplish the purposes of the bill.

TITLE III—FEDERAL AGENCY ASSISTANCE LIAISON WITH CENTER

Section 301 requires each Federal agency to designate an individual to serve as liaison with the Center and to assist the Center in carrying out its functions pursuant to the Act. They also are required to keep the Center currently informed about their productivity-related activities and to consult with the Center prior to the obligation or expenditure of funds for activities or projects to improve productivity growth.

Each department, agency, and independent establishment also is directed to furnish the Center access to all relevant materials and information it requires to carry out its functions.

INTERNAL REVIEW

Section 302 requires each Federal agency and independent establishment of the Government, in coordination with the Center, to study and review the promulgation and implementation of its statutory authority, policies, and regulations. Each agency shall identify such statutes, policies, and regulations which inhibit or impair productivity growth in the public or private sectors, and shall recommend to the President and to the Congress—or implement where appropriate—alternatives which will contribute to the achievement of the purposes of the bill.

SUPPORT OF EXTERNAL ACTIVITIES

Section 303 directs each Federal agency, in coordination with the Center, to extend appropriate assistance to activities outside the Government designed to maintain, promote, and enhance sustained growth in productivity.

INTERNAL PRODUCTIVITY

Section 304 directs each Federal agency to improve its own internal productivity.

EFFECT ON PRIOR PROVISIONS

Section 305 provides that nothing in the Act shall affect any specific statutory obligation of any Federal agency (1) to coordinate or consult with any other Federal or State agency or (2) to act, or to refrain from acting, contingent upon the recommendations or certification of any other Federal or State agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

Section 401 provides certain technical administrative provisions to enable the Center to prescribe such regulations as are deemed necessary to carry out the purposes of the bill, to receive money and other property donated for the use of the Center, and to appoint and fix the compensation of its staff. The Center would also be authorized to establish task forces to assist and advise it in the performance of its functions.

TITLE V—EVALUATION BY THE COMPTROLLER GENERAL

Section 501 requires the Comptroller General to audit, review, and evaluate the implementation of the provisions of the bill by the Center. Not less than 30 months nor more than 36 months after the date of enactment, the Comptroller General shall report to Congress the results of his evaluation, which shall contain an evaluation of the effectiveness of the Center's activities, the effect of the Center's activities on the efficiency and effectiveness of other Federal agencies, and his recommendations for improving the implementation of the objectives of the bill.

TITLE VI—REPEAL AND TRANSFER

Section 601 repeals section 4 of Public Law 92-210, and Public Law 93-311, which established the National Commission on Productivity and Work Quality.

TRANSFER OF FUNCTIONS AND STAFF

Section 602 provides that the functions and staff of the National Commission on Productivity and Work Quality are to be transferred to the National Center for Productivity and Quality of Working Life. All property, records, and contracts as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with the National Commission on Productivity and Work Quality are to be transferred to the Center.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS

Section 701 provides an authorization of \$6.25 million for fiscal year 1976 and the 3-month transition period thereafter (of which \$1.25 million is intended for the transition period), and \$5 million for each of the fiscal years 1977 and 1978. Funds appropriated for any fiscal year shall remain available for obligation until expended.

COST OF LEGISLATION

The committee estimates that the total cost of this bill will amount to approximately \$16.25 million over the next 3 years, assuming that the full amount authorized is appropriated and expended. The existing National Commission on Productivity and Work Quality is operating on a budget of \$2 million. Since these funds will be incorporated into the Center's budget, this bill will result in additional Federal expenditures of not more than \$10.25 million over the next 3 years.

COMMITTEE VOTE

S. 2195 was reported favorably by the Committee on October 2, 1975, by a voice vote. 23 Members of the Committee were present.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

This report embodies the findings and recommendations of the Subcommittee on Economic Stabilization pursuant to its oversight responsibility over productivity growth. The Committee determined that legislation should be enacted as set forth in the amended bill.

INFLATIONARY IMPACT

The Committee has concluded that the enactment of S. 2195, as amended, will not result in any inflationary impact on prices and costs in the national economy. By its very terms, the legislation is intended to combat inflationary pressures on the economy.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman) :

SECTION 4 OF PUBLIC LAW 92-210

[NATIONAL PRODUCTIVITY POLICY

[SEC. 4. (a)(1) It is the policy of the United States to promote efficient production, marketing, distribution, and use of goods and services in the private sector, and improve the morale of the American worker, all of which are essential to a prosperous and secure free world, and to achieve the objectives of national economic policy.

[(2) The Congress finds that the persistence of inflationary pressures, and of a high rate of unemployment, the underutilization and obsolescence of production facilities, and the inadequacy of productivity are damaging to the effort to stabilize the economy.

[(3) The Congress, therefore, finds a national need to increase economic productivity which depends on the effectiveness of management, the investment of capital for research, development, and advanced technology and on the training and motivation of the American worker.

[(4) The Congress further finds that at a time when economic stabilization programs require price-wage restraints, management and labor have a strong mutual interest in containing "cost-push" inflation and increasing output per man-hour so that real wages may increase without causing increased prices, and that, without in any way infringing on the rights of management or labor, machinery should be provided for translating this mutuality of interest into voluntary action.

[(b) It shall be the objective of the President's National Commission on Productivity (hereinafter referred to as the "Commission")—

[(1) to enlist the cooperation of labor, management, and State and local governments, in a manner calculated to foster and promote increased productivity through free competitive enterprise toward the implementation of the national policy declared in the Employment Act of 1946 to create and maintain "conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power";

[(2) to promote the maintenance and improvement of worker motivation and to enlist community interest in increasing productivity and reducing waste;

[(3) to promote the more effective use of labor and management personnel in the interest of increased productivity;

[(4) to promote sound wage and price policies in the public interest, and to seek to accomplish that objective within a climate of cooperation and understanding between labor, management, and the public, and within a framework of peaceful labor-management relations and free and responsible collective bargaining;

[(5) to promote policies designed to insure that United States products are competitive in domestic and world markets;

[(6) to develop programs to deal with the social and economic problems of employees adversely affected by automation or other technological change or the relocation of industries.

[(c)(1) It shall be the duty and function of the Commission, in order to achieve the objectives set forth in subsection (b) of this section, to encourage and assist in the organization and the work of labor-management-public committees and similar groups on a plant, community, regional, and industry basis. Such assistance shall include aid—

[(A) in the development of apprenticeship, training, retraining, and other programs for employee and management education for development of greater upgraded and more diversified skills;

[(B) in the formulation of programs designed to reduce waste and absenteeism and to improve employee safety and health;

[(C) in the revision of building codes and other local ordinances and laws, in order to keep them continuously responsive to current economic conditions;

[(D) in planning for provision of adequate transportation for employees;

[(E) in the exploration of means to expand exports of the products of United States industry;

[(F) in the development, initiation, and expansion of employee incentive compensation, profit-sharing and stockownership systems and other production incentive programs;

[(G) in the dissemination of technical information and other material to publicize its work and objectives;

[(H) to encourage studies of techniques and programs similar to those in paragraphs (A) to (G) of this subsection, as they are applied in foreign countries; and

[(I) in the dissemination of information and analyses concerning the economic opportunities and outlook in various regions and communities, and of information on industrial techniques designed for the increase of productivity.

[(2) The Commission shall transmit to the President and to the Congress not later than March 1 of each year an annual report of its previous year's activities under this Act.

[(3) The Commission shall perform such other functions, consistent with the foregoing, as it determines to be appropriate and necessary to achieve the objectives set forth in subsection (b) of this section.

[(d) (1) In exercising its duties and function under this Act—

[(A) the Commission may consult with such representatives of industry, labor, agriculture, consumers, State and local governments, and other groups, organizations, and individuals as it deems advisable to insure the participation of such interested parties;

[(B) the Commission shall, to the extent possible, use the services, facilities, and information (including statistical information) of other Government agencies as the President may direct as well as of private agencies and professional experts in order that duplication of effort and expense may be avoided;

[(C) the Commission shall coordinate such services and facilities referred to in subsection (B) above in order to supply technical and administrative assistance to labor-management-public committees and similar groups referred to in subsection (c) (1);

[(D) the Commission shall establish the regional offices and such local offices as it deems necessary;

[(E) the Commission shall hold regional and industrywide conferences to formulate ideas and programs for the fulfillment of the objectives set forth in subsection (C);

[(F) the Commission may formulate model programs to ameliorate the effects of unemployment caused by technological progress;

[(G) the Commission may furnish assistance to parties in collective bargaining entering into collective bargaining agreements; and

[(H) the Commission may review collective bargaining agreements already in effect or those being negotiated to ascertain their effects on productivity; and it may have the power to make recommendations with respect to the agreements made or about to be made in specific industries.

[(2) The Commission may accept gifts or bequests, either for carrying out specific programs which it deems desirable or for its general activities.

[(e) (1) The Executive Director of the Commission shall be the principal executive officer of the Commission in carrying out the objectives, functions, duties and powers of the Commission described in subsections (b) through (d) of this section.

[(2) The Executive Director of the Commission, with the approval of the Chairman of the Commission, is authorized (A) to appoint and fix the compensation of such officers and employees, and prescribe their functions and duties, as may be necessary to carry out the provisions of this section, and (B) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

[(f) There is hereby authorized to be appropriated the sum of \$10,000,000 to carry out the purposes of this section during the period ending June 30, 1973.]

[AN ACT

[Prescribing the objectives and functions of the National Commission on Productivity and Work Quality.

[Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) it is the policy of the United States to promote increased productivity and to improve the morale and quality of work of the American worker, for the purpose of providing goods and services at low cost to American consumers, improving the competitive position of the United States in the international economy, and facilitating a more satisfying work experience for American workers.

[(b) The President's National Commission on Productivity shall hereafter be referred to as the National Commission on Productivity and Work Quality (hereinafter referred to as the "Commission"). The Commission shall carry out the objectives and exercise the functions hereinafter prescribed.

[(c) The objectives of the Commission shall be to help increase the productivity of the American economy and to help improve the morale and quality of work of the American worker.

[(d) To achieve the objectives of subsection (c), the Commission shall have the following primary functions:

[(1) To encourage and assist in the organization and work of labor-management committees which may also include public members, on a plant, community, regional, and industry basis. Such committees may be specifically designed to facilitate labor-management cooperation to increase productivity or to help improve the morale and quality of work of the American worker.

[(2) To conduct such research as is directly necessary to achieve each of the objectives set forth in subsection (c) when such research cannot appropriately be accomplished by other Government agencies or private organizations.

[(3) To publicize, disseminate, and otherwise promote material and ideas relating to its objectives.

[(e) In addition to its functions under subsection (d) the Commission shall—

[(1) advise the President and the Congress with respect to Government policy affecting productivity and the quality of work;

[(2) coordinate and promote Government research and technical assistance efforts relating to productivity; and

[(3) provide technical and consulting assistance.

[(f) In pursuing its objectives under subsection (c), and in carrying out its functions under subsections (d) and (e), the Commission shall concentrate its efforts on those areas where such efforts are likely to make the most substantial impact on—

[(A) the morale and quality of work of the American worker;

[(B) the international competitive position of the United States;

[(C) the efficiency of government; or

[(D) the cost of those goods and services which are generally considered to fulfill the most basic needs of Americans.

[(g) (1) The Executive Director of the Commission shall be the principal executive officer of the Commission in carrying out the objectives and functions of the Commission under this section.

[(2) The Executive Director of the Commission, with the approval of the Chairman of the Commission, is authorized (A) to appoint and fix the compensation of such officers and employees, and prescribe their functions and duties, as may be necessary to carry out the provisions of this section, and (B) to obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code.

[(3) The Commission may accept gifts or bequests, either for carrying out specific programs which it deems desirable or for its general activities.

[(h) In carrying out its activities under this section, the Commission shall consult with the Council of Economic Advisers.

[(i) The Commission shall transmit to the President and to the Congress, not later than July 1, 1974, a report covering its activities during Fiscal Year 1974 and describing in detail the program to be carried out by the Commission under this section during Fiscal Year 1975. Such report shall include an explanation of how the Commission's program has complied or will comply, as the case may be, with the provisions of subsection (f).

[(j) There is hereby authorized to be appropriated such sums, not to exceed \$2,500,000, as may be necessary to carry out the purposes of this section during the period from July 1, 1974 through June 30, 1975. In addition, there are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section during the period from July 1, 1975, through September 30, 1975.]

○

Ninety-fourth Congress of the United States of America

AT THE FIRST SESSION

*Begun and held at the City of Washington on Tuesday, the fourteenth day of January,
one thousand nine hundred and seventy-five*

An Act

To establish a National Center for Productivity and Quality of Working Life; to provide for a review of the activities of all Federal agencies including implementation of all Federal laws, regulations, and policies which impede the productive performance and efficiency of the American economy; to encourage joint labor, industry, and Government efforts to improve national productivity and the character of working conditions; to establish a Federal policy with respect to continued productivity growth and improved utilization of human resources in the United States; and for other purposes.

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 "National Productivity and Quality of Working Life Act of 1975".

TITLE I—FINDINGS, PURPOSE, AND POLICY; DEFINITIONS

SEC. 101. The Congress finds that—

- (1) the rate of productivity growth in the United States has declined during four of the past six years;
- (2) the decline in the rate of productivity growth has contributed to inflation, to economic stagnation, and to increasing unemployment;
- (3) since 1965, the rate of productivity growth of the United States has been consistently lower than that of many industrial nations in the world, adversely affecting the competitive position of the United States in world markets;
- (4) growth in productivity of the economy of the United States is essential to the social and economic welfare of the American people, and to the health of the world economy;
- (5) growth in the productivity of the Nation's economy is essential to maintain and increase employment, to stabilize the cost of living and to provide job security;
- (6) mounting worldwide material shortages and their consequent inflationary results make increased efficiency in the utilization of these resources of urgent importance;
- (7) sharing the fruits of productivity gains among labor, management, and owners may considerably influence productivity;
- (8) the continued development of joint labor-management efforts to provide a healthy environment for collective bargaining can make a significant contribution to improve productivity and foster industrial peace;
- (9) factors affecting the growth of productivity in the economy include not only the status of technology and the techniques of management but also the role of the worker in the production process and the conditions of his working life;
- (10) there is a national need to identify and encourage appropriate application of capital in sectors of American economic activity in order to improve productivity;
- (11) there is a national need to identify and encourage appropriate application of technology in all sectors of American economic activity in order to improve productivity;

S. 2195—2

(12) there is a national need to identify and encourage the development of social, economic, scientific, business, labor, and governmental contributions to improve productivity growth, and increased economic effectiveness in the public and private sectors of the United States; which objectives can best be accomplished through maximizing private sector and State and local development of such contributions;

(13) there is a national need to identify, study, and revise or eliminate the laws, regulations, policies, and procedures which adversely affect productivity growth and the efficient functioning of the economy;

(14) there is a national need to increase employment security through such activities as manpower planning, skill-training and retraining of workers, internal work force adjustments to avoid worker displacement, assistance to workers facing or experiencing displacement, and all other public and private programs which seek to minimize the human costs of productivity improvement, thereby diminishing resistance to workplace change and improving productivity growth;

(15) there is a national need to develop new technologies for the more effective production of goods and services;

(16) there is a national need to encourage and support efforts by qualified institutions of higher learning to identify and inaugurate programs which will improve productivity;

(17) there is a national need to develop precise, standardized measurements of productivity; and

(18) there is a national need to gather and disseminate information about methods and techniques to improve productivity.

STATEMENT OF PURPOSE

SEC. 102. It is the purpose of this Act—

(1) to establish a national policy which will encourage productivity growth consistent with needs of the economy, the natural environment, and the needs, rights, and best interests of management, the work force, and consumers; and

(2) to establish as an independent establishment of the executive branch a National Center for Productivity and Quality of Working Life to focus, coordinate, and promote efforts to improve the rate of productivity growth.

POLICY

SEC. 103. (a) The Congress, recognizing the profound impact of productivity on the interrelations of all components of the national economy, declares that it is the continuing policy of the Federal Government, in cooperation with State and local governments, to use all practicable means and measures, including financial and technical assistance, to stimulate a high rate of productivity growth.

(b) It is the continuing responsibility of the Federal Government to use all practicable means to improve and coordinate Federal plans, functions, programs, and resources to carry out the policy set forth in this Act.

(c) The laws, rules, regulations, and policies of the United States shall be so interpreted as to give full force and effect to this policy.

DEFINITIONS

SEC. 104. For the purposes of this Act—

- (1) the term "Center" means the National Center for Productivity and Quality of Working Life;
- (2) the term "Board" means the Board of Directors of the Center;
- (3) the terms "productivity growth" and "improved productivity" shall be interpreted to include, but not be limited to, improvements in technology, management techniques, and the quality of working life; and
- (4) the term "quality of working life" shall be interpreted to mean the conditions of work relating to the role of the worker in the production process.

TITLE II—NATIONAL CENTER FOR PRODUCTIVITY AND QUALITY OF WORKING LIFE ESTABLISHED

SEC. 201. There is hereby established as an independent establishment of the executive branch of the Government the National Center for Productivity and Quality of Working Life.

BOARD OF DIRECTORS

SEC. 202. (a) The Center shall have a Board of Directors, to be comprised of not more than twenty-seven members, as follows:

- (1) a Chairman, appointed by the President, by and with the advice and consent of the Senate;
- (2) the Secretary of the Treasury;
- (3) the Secretary of Commerce;
- (4) the Secretary of Labor;
- (5) the Director of the Federal Mediation and Conciliation ~~Service~~;
- (6) the Executive Director of the Center;
- (7) not less than five members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified private individuals in manufacturing and service industries;
- (8) not less than five members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified private individuals from labor organizations;
- (9) not less than two members who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified individuals in State or local governments;
- (10) not less than one member who shall be appointed by the President, by and with the advice and consent of the Senate, from among the general public;
- (11) not less than one member who shall be appointed by the President, by and with the advice and consent of the Senate, from among qualified individuals associated with leading institutions of higher education; and
- (12) such other qualified members from the public or private sectors whom the President may deem appropriate who shall be appointed by the President, by and with the advice and consent of the Senate.

When unable to attend a meeting of the Board, a member appointed under clauses (2), (3), (4), and (5) shall appoint an appropriate

S. 2195—4

alternate from such member's Department or agency to represent such member at that meeting.

(b)(1) The members of the Board appointed under clauses (7), (8), (9), (10), (11), and any private sector members appointed pursuant to clause (12) of subsection (a) shall be appointed for a four-year term coterminous with the term of the President. Members other than members appointed under such clauses, with the exception of the Chairman, shall serve as long as such member is head of the department or agency represented on the Board. No person shall serve as an acting or temporary member in positions requiring Senate confirmation including that of Chairman, for a period in excess of three months.

(2) The President shall appoint a Chairman for a term of four years coterminous with the term of the President. In appointing a Chairman, the President may appoint an individual who is an officer of the United States. If that officer has been appointed to his current position, by and with the advice and consent of the Senate, or if such individual is the Vice President of the United States, such individual may be appointed chairman by the President without the requirement of confirmation by the Senate.

(c) Any member appointed to fill a vacancy occurring before the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of that term.

(d)(1) Each member of the Board appointed under clauses (7), (8), (9), (10), (11), and any private sector members appointed pursuant to clause (12) of subsection (a) may be compensated at the daily rate provided for GS-18 of the General Schedule under section 5332 of title 5, United States Code, including traveltime, for each day such member is engaged in the performance of his duties as a member of the Board and shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in carrying out the functions of the Board.

(2) Other members of the Board, with the exception of the Chairman, and the Executive Director of the Center shall serve without additional compensation but shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in carrying out the functions of the Board.

(3) The Chairman shall be compensated as set forth in paragraph (1) of this subsection, except if the Chairman holds some other position in the Federal Government such individual shall be compensated as set forth in paragraph (2) of this subsection.

(e)(1) The Chairman shall appoint an Executive Committee of the Board, not to exceed seven members, including the Executive Director of the Center.

(2) The Executive Committee of the Board shall meet at the call of the Chairman, but in no case less frequently than once every ninety days.

EXECUTIVE DIRECTOR; DEPUTY DIRECTOR

SEC. 203. (a) The Center shall have an Executive Director, who shall be appointed by the President by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of fitness to perform the duties and functions of the office. No person shall serve as acting or temporary Executive Director for a period in excess of three months.

(b) The Executive Director shall appoint a Deputy Director, who shall perform such functions as the Executive Director may prescribe.

S. 2195—5

The Deputy Director shall act for and exercise the powers of the Executive Director during the absence or disability of the Executive Director.

(c) The Executive Director shall be responsible for the exercise of all powers and the discharge of all duties of the Center. The Executive Director shall have authority over and control of all of the staff of the Center and their activities. The Executive Director shall maintain budgets and allocate available funds as appropriate in carrying out the provisions of this Act.

(d) The Executive Director shall be compensated at a rate not to exceed that provided for Executive level IV under section 5315 of title 5 of the United States Code as determined by the President, and shall have no other employment, public or private, during the tenure of his appointment.

FUNCTIONS OF THE CENTER

SEC. 204. The Center shall—

(1) develop and establish, in consultation with the appropriate committees of the Congress and with the appropriate departments and agencies of the executive branch, a national policy for productivity growth in the public and private sectors of the United States consistent with the purposes of this Act;

(2) seek, stimulate, and encourage maximum active participation of—

(A) the private sector of the Nation's economy, including labor organizations, associations and confederations, business enterprises and associations, institutions of higher education, foundations and other philanthropic organizations and research centers and institutes; and

(B) the public sector of the Nation's economy, including Federal, State, and local governments and agencies thereof, including institutions of higher education, in efforts to improve the rate of productivity growth in all sectors of the Nation's economy;

(3) seek, stimulate, and encourage maximum active participation of the public agencies and private organizations identified in clause (2) of this section through identification and encouragement of selected research and demonstration programs implemented by public agencies and qualified private organizations which will—

(A) increase the rate of productivity growth in the public and private sectors of the national economy through improved and innovative utilization of technological and human resources; and

(B) develop, refine, and apply accurate and reliable measurement techniques to evaluate changes in productivity;

(4) to identify, study, and review—

(A) existing Federal, State, and local statutes, regulations, and fiscal policies which adversely affect productivity growth or the economic performance of the public and private sectors of the United States;

(B) incentives to encourage industry and labor initiatives in the development of methods, techniques, and systems for the improved utilization of technological and human resources in the public and private sectors;

(C) existing and new programs, plans, and other methods, including advanced warning systems, retraining programs, retirement and separation programs, designed to counteract threats to job security which may result from efforts to improve productivity;

(D) jointly, with the Civil Service Commission, the impact of Federal personnel policies, statutes, and regulations affecting the productivity of Federal agencies and the quality of working life of Federal employees; and

(E) the need and feasibility of providing, directly to potential users, public or private, various Center services in return for payment to the Center, and methods by which charges for such services will be established;

(5) recommend to the President, the Congress, the appropriate agencies and departments of the Federal Government, and State and local governments, any legislation, revisions of regulations, policies, practices, and procedures which result from the activities carried out under clause (4) of this section;

(6) encourage, support, and initiate efforts in the public or private sector specifically designed to improve cooperation between labor and management in the achievement of continued productivity growth: *Provided, however,* That no activities of the Center involving consideration of issues included in a specific labor-management agreement shall be undertaken without the consent and cooperation of the parties to that agreement;

(7) encourage departments and agencies of the Federal Government to initiate, stimulate, and support efforts in both the public and private sectors of the United States to improve the rate of productivity growth;

(8) coordinate all activities referred to in subsection (7) of this section in order to eliminate interagency duplication of effort and cost, to insure that Center activities will not unnecessarily conflict or overlap with such other activities, and to maximize the effectiveness of all such Federal programs and activities;

(9) coordinate and consult with the departments and agencies of the Federal Government in the obligation and expenditure of funds for activities and projects in both the public and private sectors to improve productivity growth;

(10) identify, develop, and support activities, programs, systems, and techniques, in the various departments and agencies of the Federal Government for measuring productivity growth within such departments and agencies;

(11) collect and disseminate relevant information obtained by the Center or other public agencies, institutions of higher education, or private organizations engaged in projects under this Act, including information related to new or improved methods, systems, technological developments, equipment, and devices to improve and stimulate productivity growth, and to develop and implement a public information program designed to inform the public of the meaning and importance of productivity, and productivity growth;

(12) encourage and coordinate the efforts of State and local governments, and institutions of higher education, to improve productivity;

(13) maintain liaison with organizations, both domestic and foreign, involved in efforts to improve productivity;

(14) determine the Nation's needs for productivity-related management and analytical skills and to encourage and facilitate the development of training programs in such skills; and

(15) study the effects of materials availability upon productivity growth.

POWERS

SEC. 205. In carrying out its functions, the Center is authorized—

(1) to enter into contracts or other funding arrangements, or modifications thereof, in order to carry out the provisions of this Act;

(2) to organize and conduct, directly by contract or other funding arrangements with other public agencies or private organizations, conferences, meetings, seminars, workshops, or other forums for the presentation and dissemination of relevant information generated or collected pursuant to the provisions of this Act;

(3) to make such studies and recommendations to the President and to Congress as may be necessary to carry out the functions of the Center;

(4) to implement a program and secure necessary facilities for the collection, collation, analysis, and interpretation of data and information as required in order to carry out the public information functions under this Act; and

(5) to undertake such other studies, reviews, activities, and to make such recommendations and reports as may be required to carry out the functions of the Center.

CONTRACTS AND OTHER FUNDING ARRANGEMENTS—CONDITIONS

SEC. 206. (a) No contracts or other funding arrangements may be entered into under this Act unless—

(1) such contracts or other funding arrangements will be consistent with the policies and purposes of this Act and of potential benefit to other users in the public or private sectors;

(2) provisions are made to evaluate the demonstration program and maintain improvement data, such evaluation either to be implemented by the participating parties in accordance with specifications established by the Center, or to be implemented by or on behalf of the Center; and

(3) the participating parties agree that all information relating to any innovation or achievement generated in the course of any Center-funded demonstration program shall be public information.

(b) No contract or other funding arrangement shall be made or entered into pursuant to the provisions of this Act for a period of more than three years.

(c) Any non-Federal share of a project may be in cash or in kind, fairly evaluated, including, but not limited to, plant, equipment, or services.

CONTRACT AND OTHER FUNDING ARRANGEMENTS—CRITERIA

SEC. 207. (a) The Center shall prescribe by regulation, after consultation with appropriate agencies and officials of Federal, State, and local governments, basic criteria for the participating parties under this Act.

(b) If the Center determines, on the basis of information available to it during any fiscal year, that a portion of the funds provided to a participating party for that fiscal year will not be required by the party or will become available by virtue of the application of regulations established by the Center to govern noncompliance by a participating party, that portion shall be available for reallocation under this section.

(c) The Center shall by regulation prescribe the basic criteria for determination of noncompliance by participating parties including appropriate provisions for notice and hearing with respect to such determination.

ANNUAL REPORT

SEC. 208. (a) Not later than December 31 of each year, the Center shall report to the President and to the Congress on activities pursuant to the provision of this title during the preceding fiscal year; such reports shall include a detailed statement of all public and private funds received and expended together with such recommendations as the Center deems appropriate. Such report shall include an analysis of the extent to which each agency of the Federal Government which has significant responsibilities for assisting in the improvement of productivity is carrying out such responsibilities consistent with the provisions of this Act, including (A) an accounting of all funds expended or obligated by such agencies for activities and projects to improve productivity growth, (B) an assessment of the extent to which such expenditures or obligations have furthered the policies of the Center, and (C) the Center's recommendations on how these expenditures and obligations can be better coordinated to accomplish the purposes of this Act.

(b) Each report required to be submitted to the Congress by this Act shall be referred to the standing committee or committees having jurisdiction over any part of the subject matter of the report.

TITLE III—FEDERAL AGENCY COORDINATION AND
LIAISON WITH CENTER

SEC. 301. (a) Each department, agency, and independent establishment of the Federal Government shall designate a qualified individual to serve as liaison with the Center and to assist the Center in carrying out its functions pursuant to this Act.

(b) Each department, agency, and independent establishment of the Federal Government shall keep the Center currently informed of its programs, policies, and initiatives to improve productivity which relate to the responsibilities of the Center, and shall consult with the Center prior to the obligation or expenditure of funds for activities or projects to improve productivity growth.

(c) Each Federal department, agency, and independent establishment of the Federal Government is authorized and directed to furnish or allow access to all relevant materials and information required by the Center to carry out its functions under this Act.

INTERNAL REVIEW

SEC. 302. Each department, agency, and independent establishment of the Federal Government, in coordination with the Center, shall study and review the promulgation and implementation of its statutory authority, policies, and regulations, and shall identify such statutes, policies, and regulations which adversely affect productivity growth in the public or private sectors of the United States, or those which impede the efficient functioning of the Nation's economy, and shall recommend to the President and the Congress, or implement where appropriate, alternative statutes, policies, and regulations which will contribute to the achievement of the purposes of this Act.

SUPPORT OF EXTERNAL ACTIVITIES

SEC. 303. Each department, agency, and independent establishment of the Federal Government, in coordination with the Center, shall, to the extent appropriate, make available to State and local governments, labor organizations, industry, public institutions, and other qualified organizations advice, information, and support, including financial and other assistance, designed to maintain, promote, and enhance sustained productivity growth in the public and private sectors of the United States.

INTERNAL PRODUCTIVITY

SEC. 304. Each department, agency, and independent establishment of the Federal Government shall identify, develop, initiate, and support appropriate programs, systems, procedures, policies, and techniques to improve the productivity of such departments and agencies, including the implementation, where desirable, of specific programs recommended, supported, or implemented by the Center.

EFFECT ON PRIOR PROVISIONS

SEC. 305. Nothing in this title affects any specific statutory obligation of any Federal agency (1) to coordinate or consult with any other Federal or State agency or (2) to act, or to refrain from acting, contingent upon the recommendations or certification of any other Federal or State agency.

TITLE IV—ADMINISTRATIVE PROVISIONS

SEC. 401. The Executive Director is authorized to—

(1) prescribe such regulations as are deemed necessary to carry out the purposes of this Act;

(2) receive money and other property donated, bequeathed, or devised, or remitted in payment for services rendered, without condition or restriction other than that it be for the purposes of the Center;

(3) receive (and use, sell, or otherwise dispose of, in accordance with clause (2)) money or other property donated, bequeathed, or devised to the Center, except for such money and other property which includes a condition that the Center use other funds of the Center for the purpose of the gift, in which case two-thirds of the members of the Board of the Center must approve such donations;

(4) appoint and fix the compensation of such personnel as may be necessary to carry out the provisions of the Act in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates;

(5) obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, at rates for individuals not to exceed the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code;

(6) accept and utilize the services of voluntary and noncompensated personnel and reimburse them for travel expenses, including per diem as authorized by section 5703 of title 5, United States Code;

(7) utilize, on a reimbursable or nonreimbursable basis the services, equipment, personnel, and facilities of any other department or agency of the United States;

(8) establish one or more task forces to assist and advise the Center, composed of individuals who, by reason of experience, are qualified for such service. Each member of any such task force who is not an officer or employee of the Federal Government may receive an amount not to exceed the maximum daily rate prescribed for GS-18 under section 5332 of title 5, United States Code, for each day such individual is engaged in the actual performance of duties (including traveltime) as a member of such a task force. Members may be reimbursed for travel, subsistence, and necessary expenses incurred in the performance of their duties; and

(9) make advances, progress, and other payments deemed necessary under this Act without regard to the provisions of section 3648 of the Revised Statutes, as amended (21 U.S.C. 529).

TITLE V—EVALUATION BY THE COMPTROLLER GENERAL

SEC. 501. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this Act by the Center.

(b) Not less than thirty months nor more than thirty-six months after the effective date of this Act, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a), which shall contain, but not be limited to, the following:

- (1) an evaluation of the effectiveness of the Center's activities;
- (2) an evaluation of the effect of the activities of the Center on the efficiency, and effectiveness, of affected Federal agencies in carrying out their assigned functions and duties under this Act; and
- (3) recommendations concerning any legislation he deems necessary, and the reasons therefor, for improving the implementation of the objectives of this Act as set forth in section 102.

TITLE VI—REPEAL AND TRANSFER

REPEAL OF PUBLIC LAWS 92-210 AND 93-311

SEC. 601. Section 4 of Public Law 92-210, and Public Law 93-311, relating to the National Commission on Productivity and Work Quality, are repealed.

TRANSFER OF FUNCTIONS AND STAFF

SEC. 602. (a) The functions and staff of the National Commission on Productivity and Work Quality are hereby transferred to the Center.

(b) All property, records, and contracts as are determined by the Director of the Office of Management and Budget to be employed, held, or used primarily in connection with any function transferred by subsection (a) are transferred to the Center.

TITLE VII—AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There are authorized to be appropriated to carry out the purposes of this Act, not to exceed \$6,250,000 for the fiscal year ending June 30, 1976, and the subsequent transition period ending September 30, 1976; not to exceed \$5,000,000 for the fiscal year ending September 30, 1977; and not to exceed \$5,000,000 for the fiscal year ending September 30, 1978. Funds appropriated for any fiscal year shall remain available for obligation until expended.

Speaker of the House of Representatives.

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

DECEMBER 10, 1975

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

On November 28, 1975, I signed into law S. 2195, a bill creating the National Center for Productivity and Quality of Working Life. As I have stressed many times, continued productivity growth is vital to improving the standard of living of all Americans, and to maintaining our competitive position in the international economy. By providing a unique forum for cooperative labor, management and Government efforts, the National Center for Productivity and Quality of Working Life holds great promise for stimulating America's productivity.

Today, I am happy to announce that Vice President Rockefeller has agreed to serve as Chairman of the Board of the new Center. The Vice President deserves much credit for the tremendous energy he has devoted in the past as Chairman of the former National Commission on Productivity and Work Quality. Because of the importance I personally attach to this Center, I am delighted that the Vice President will continue his leadership as Chairman of the Board. Under his direction, I expect major contributions from this new Center in the months ahead.

The National Center for Productivity and Quality of Working Life will assume a greatly enlarged role in stimulating productivity in both the private and public sectors of the economy. In addition to encouraging the joint efforts of labor, management and Government to improve productivity and quality of working life, it will have the responsibility for reviewing government regulations and policies on productivity.

The creation of this new Center is a fine example of bipartisan cooperation between the Congress and this Administration. I thank the many Members of Congress who worked on this legislation as well as the many others who have made major contributions to the creation of the Center.

A Policy Statement concerning productivity growth in this country prepared by the members of the National Commission on Productivity and Work Quality is being released today. This important Statement provides suggestions on establishing priorities for our Nation in dealing with the problems and opportunities for improved productivity. I am grateful to those members of the Commission who labored so diligently to develop it. As we all know, this will not be a simple task but our success can bolster the strength of our economy and improve the well-being of current and future generations.

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November 18, 1975

Dear Mr. Director:

The following bill was received at the White House on November 18th:

S. 2195

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 James T. Lynn
Director
Office of Management and Budget
Washington, D. C.