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January 27, 1975

SUBJECT: NEW WAGE PRICE CONTROL  
POWERS PROPOSED BY  
PROXMIRE AND STEVENSON

Senators Proxmire and Stevenson said yesterday that they planned to introduce legislation giving the Council on Wage and Price Stability power to require advance notice of increases that might significantly increase inflation, and to provide the President with a limited method of forcing wage and price rollbacks.

What's your reaction to the legislation proposed by Proxmire and Stevenson?

GUIDANCE: The President has said on numerous occasions that he opposes wage and price controls. We do not support, nor endorse the legislation proposed by Senators Proxmire and Stevenson, and certainly have not requested this additional authority for the Council.

Are there any circumstances under which you can foresee the need for wage and price controls?

GUIDANCE: No.

JGC

December 18, 1974

FOLLOW-UP ON TUESDAY'S QUESTIONS ON WAGE AND PRICE COUNCIL

- Q. (TOM JOYCE) Does the President have any plans to meet with representatives of U.S. Steel?
- A. Not at the present time. However, as you know, the Council on Wage and Price Stability sent a telegram yesterday to Wilbert Walker, President of U.S. Steel, requesting a "full explanation and justification" of the price increases. Albert Rees, Director of the Council, ~~was promised~~ a response ~~by Friday~~.
- Q. (DON BACON) Is the White House usually notified in advance of a price increase announcement?
- A. Some companies do, but most do not. There is no requirement for such action.
- Q. (BACON) Was the White House upset that they were not notified in advance?
- A. Not because of the lack of advance notification, but the White House certainly was not pleased with the action. I understand that officials of U.S. Steel notified Bill Seidman of the action at 4 p. m. Monday.
- Q. ( LISAGOR ) Is any action contemplated by the President to persuade or prevent other steel companies not to initiate price increases?
- A. The President made clear his concern and disappointment over the U.S. Steel action yesterday and hopefully, this should have some impact. It is the hope of the Wage-Price Council that U.S. Steel will lower its announced increases, and that other steel companies will keep public interest in mind and hold off from jumping their prices to the U.S. Steel level. We'll know more about further Presidential action when U.S. Steel's explanation of its action is received and can be studied.
- Q. (LISAGOR, DEAKIN, BROKAW) What has been the effect of calling for justification in price increases?
- A. Specifically, we feel we did have an effect when Ford Motor Company price increases were reduced - as much as \$150.00 after the Wage-Price Council request for justification.
- Q. Did the Council receive any information on the sugar price increases?

A. Not from the sugar industry. However, as you probably know, the Council did hold public hearings on the sugar price increases, and received considerable information from those hearings. Other information came from press reports. It has been gratifying to the Council and to the White House to note that sugar prices have gone down since those hearings were held.

Q. Have there been hearings on meat price increases?

A. The Council held a joint conference with the Agriculture Department on the food situation in late October which included a considerable discussion of the meat price problems. There have also been Congressional hearings on the subject.

Q. Will there be Council hearings on the steel price increases?

A. That is always a possibility. Again, it is too early to say, until the Council gets a chance to study the U. S. Steel justification of its price actions.

Q. Has U S Steel responded to the White House statements of yesterday?

~~A. We have had no formal communication from U S Steel since the statements were made.~~

September 24, 1974

SUBJECT:

ALBERT REES AS EXECUTIVE  
DIRECTOR OF THE COUNCIL ON  
WAGE AND PRICE STABILITY

Is the President going to nominate Albert Rees to be the Executive Director  
of the new Council on Wage and Price Stability?

GUIDANCE: It's my understanding that an Executive Director will be announced within the next few days, but there is nothing further I can give you at this time.

Would you deny that Mr. Rees will be the new Executive Director?

GUIDANCE: I cannot deny, nor confirm that, but would expect an announcement in the very near future, possibly this week.

FYI: There is normally a four to six week FBI check prior to any announcement. Personnel is in the process of asking Counsel if this FBI check can be waived.  
END FYI.