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Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY THE PRESIDENT

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

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

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

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

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

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

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

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